

Social Security Bulletin

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No. 4

*Social Security for State and Local
Government Employees*

*Human Aspects of the Transition
From War to Peace*

Why Beneficiaries Returned to Work

FEDERAL SECURITY AGENCY

SOCIAL SECURITY BOARD

WASHINGTON, D. C.

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Franklin Delano Roosevelt, 1882-1945

DEMOCRACY can thrive, President Roosevelt said in a talk to the Nation on July 19, 1940, only when it adequately respects the dignity of the common people "by so ordering society as to assure to the masses of men and women reasonable security and hope for themselves and for their children."

The following statements on social security are among the many which show the far-seeing and steadfast devotion of Franklin D. Roosevelt to that objective.

"In social legislation, in education, in health, in better housing, in the care of the aged, we have gone far, but we must go farther."—*Speech accepting nomination as Governor of New York State, October 16, 1928.*

"Our American aged do not want charity, but rather old age comforts to which they are rightfully entitled by their own thrift and foresight in the form of insurance. It is, therefore, my judgment that the next step to be taken should be based on the theory of insurance by a system of contributions commencing at an early age."—*Message to the New York State Legislature, January 7, 1931.*

"The success or failure of any government in the final analysis must be measured by the well-being of its citizens. Nothing can be more important to a State than its public health; the State's paramount concern should be the health of its people."—*Message to the New York State Legislature, transmitting a report of the Special Health Commission, February 19, 1931.*

"The dole method of relief for unemployment is not only repugnant to all sound principles of social economics, but is contrary to every principle of American citizenship and of sound government. American labor seeks no charity, but only a chance to work for its living. The relief which the workers of the State should be able to anticipate, when engulfed in a

period of industrial depression, should be one of insurance, to which they themselves have in a large part contributed. Each industry itself should likewise bear a part of the premium for this insurance, and the State, in the interest of its own citizens . . ."—*Message to the New York State Legislature, recommending a Commission to Investigate Unemployment Insurance, March 25, 1931.*

"Among our objectives I place the security of men, women, and children of the Nation first . . . This seeking for a greater measure of welfare and happiness does not indicate a change in values. It is rather a return to values lost in the course of our economic development and expansion."—*Message to Congress, June 8, 1934.*

"There is also the problem of economic loss due to sickness—a very serious matter for many families with and without incomes, and therefore, an unfair burden upon the medical profession. Whether we come to this form of insurance soon or later on, I am confident that we can devise a system which will enhance and not hinder the remarkable progress which has been made and is being made in the practice of the professions of medicine and surgery in the United States."—*Address to Advisory Council of the Committee on Economic Security on the Problems of Economic and Social Security, November 14, 1934.*

"This law, too, represents a cornerstone in a structure which is being built but is by no means complete . . . a structure intended to lessen the force of possible future depressions. It will act as a protection to future Administrations against the necessity of going deeply into debt to furnish relief to the needy. The law will flatten out the peaks and valleys of deflation and of inflation. It is, in short, a law that will take care of human needs and at the same time provide for the United States an economic structure of vastly greater

soundness."—*Statement on signing the Social Security Act, August 14, 1935.*

" . . . we must expect a great program of social legislation, such as is represented in the Social Security Act, to be improved and strengthened in the light of additional experience and understanding. These amendments to the Act represent another tremendous step forward . . ."—*Statement on signing the Social Security Act Amendments of 1939, August 11, 1939.*

"We are still, however, quite distant from the objective we seek—the security and the high standard of living for every man, woman and child that the resources and manpower of America make possible . . .

"Our program must continue to be a steady and deliberate one; we cannot stand still, we cannot slip back. We must look forward to certain definite things in the near future. For example, the benefits of social security should be broadened and extended; unemployment insurance should cover a larger number of workers."—*Speech to the Teamsters Union, September 11, 1940.*

"They [the President and the Prime Minister] desire to bring about the fullest collaboration between all nations in the economic field with the object of securing, for all, improved labor standards, economic adjustment and social security."—*Atlantic Charter, August 14, 1941.*

"It happens that today is also the anniversary of the day, in 1935, when our own American Social Security Act became law . . . in all fairness, and in all equity, we should extend these [old-age and survivors insurance] benefits to farmers, farm laborers, small businessmen, and others working for themselves or in occupations specifically excluded by law. We should extend social security to provide protection against the serious economic hazard of ill health."—

Statement on the second anniversary of the signing of the Atlantic Charter, August 14, 1943.

"We have come to a clear realization of the fact that true individual freedom cannot exist without economic security and independence . . . We have accepted, so to speak, a second Bill of Rights under which a new basis of security and prosperity can be established for all—regardless of station, race, or creed. Among these

are . . . The right to adequate medical care and the opportunity to achieve and enjoy good health; the right to adequate protection from the economic fears of old age, sickness, accident, and unemployment . . ."—*Message to Congress on the State of the Union, January 11, 1944.*

"Our program should include provision for extended social security, including medical care; for better education, public health, and nutri-

tion; for the improvement of our homes, cities, and farms . . ."—*Budget Message to Congress, January 3, 1945.*

"An expanded social security program, and adequate health and education programs, must play essential roles in a program designed to support individual productivity and mass purchasing power . . ."—*Message to Congress on the State of the Union, January 6, 1945.*

Social Security in Review

The Month in Review

The estimate of the civilian labor force in February was almost half a million larger than that for January and, for the first time since 1942, above that for the corresponding month of the preceding year. The number of employed persons was also up, chiefly in nonfarm jobs. Although more persons were unemployed in February than in any other month since last July, the level of unemployment in both January and February was somewhat below that a year earlier. The continuing short-term character of current unemployment is indicated by the February figures, which show that about as many persons found jobs as lost them.

Estimates of the number of persons in covered employment, given this month in the Social and Economic Data section, show that, of the 51.8 million persons employed in an average week in 1944, 30.4 million were in jobs covered by old-age and survivors insurance and 29 million in jobs with unemployment compensation. In 1940, the average weekly number in covered employment was 24.0 million for old-age and survivors insurance and 22.0 million for State unemployment compensation programs.

IN UNEMPLOYMENT COMPENSATION operations, the continuing acute demand for workers in many areas, an unusually early pick-up in some seasonal industries, and the shorter reporting period in February halted the upward movement in claims and benefit payments which began last October. Benefit payments totaling \$6.4 million were made to a weekly average of 100,000 claimants to compensate 400,000 weeks of unemployment.

Although payments in the country as a whole were 12 percent below the amount in January, 19 States—all but 4 of them west of the Mississippi—reported increases. The country-wide decrease in claims receipts was even greater than that in benefit payments; initial claims dropped 29 percent, and continued claims 14 percent, from the number in January. Both initial and continued claims were below the volume in February 1944, but benefit expenditures were slightly higher.

OLD-AGE AND SURVIVORS insurance benefits were in force at the end of February for almost 1.2 million beneficiaries and the number of benefits in current-payment status exceeded a million for the first time on record.

The 161,400 beneficiaries whose payments were withheld—the majority because of earnings in covered employment—constituted the smallest proportion of all beneficiaries in almost 2 years. The number of benefits awarded during the month rose to 32,900, an all-time peak.

Only 4.5 million employee accounts were established in 1944, the smallest number in any year to date. For the third successive year, more women than men applied for accounts, though the number of women applicants was the smallest since 1940. It is estimated that 55 percent of all women and girls over 14 years of age held account numbers at the end of the year, in contrast to 31 percent at the end of 1940. Over the same period the relative number of account holders among all men and boys rose from 67 to 82 percent.

THE SLOW INCREASE in total public assistance payments which began last

August was halted in February, when a decrease in payments for general assistance more than offset increases in aid to dependent children and aid to the blind. The number of recipients continued to decline slightly in all programs but aid to dependent children, which recorded the fourth successive monthly increase after a continuous decline of 31 months, since March 1942. The upswing in this program was partly the result of transfers of eligible families from other types of aid and other administrative factors, but it also reflects some actual increase in the number of needy families with dependent children. For all programs but general assistance the average assistance payment was slightly higher than in January.

Innovations in State Unemployment Compensation Laws

On April 9, Governor Dewey signed a bill substantially amending the New York State Unemployment Compensation Law. Effective June 4, when the new benefit year begins, the maximum amount payable for 4 "effective" days of unemployment (the equivalent of a full week) will be increased from \$18 to \$21, and the maximum potential duration in a benefit year will be 104 days (26 weeks) instead of 80 days (20 weeks). The waiting period is also reduced from 2 weeks to 1 week.

It is in the area of experience rating, however, that the amendments are an innovation. Under the new provisions, contribution rates are varied, but the operation of the system does not involve the usual charges against an employer's account for benefits paid to his workers, or for some derivative of benefits which can be identified as paid to any individual worker. The salient features of the

bill involve the distribution of a "surplus" in the form of credit against the tax for the ensuing tax year. The plan is financially conservative. A "surplus" exists only if, on July 1 of any year, the amount in the unemployment fund exceeds four times the amount received in contributions in the preceding calendar year and if this excess is 10 percent or more of the previous year's contributions. Only 60 percent of the "excess" may be distributed. The first rebates will be made for the year beginning July 1, 1945.

The proportion allotted to each employer who qualifies for the distribution depends on his experience-rating record. The record is a combination of experience with (1) declines in pay roll from year to year, (2) declines in pay roll from quarter to quarter, and (3) the number of years in business. Both yearly and quarterly declines are measured over a 3-year period.

Year-to-year experience has the greatest weight in the employer's final score. Thus, if his pay roll keeps on an even keel or expands or has a very slight decline from year to year, he receives 12 points out of a possible 23. Second in importance is the employer's experience with seasonal unemployment, as measured by the quarterly declines in pay roll. Employers with the best records on this score receive 6 points. Finally, all employers receive points for the number of years in which they have been in business, on the assumption that if they have weathered the early years, when business mortality is high, they have increased the opportunities for employment. The credit for business "age" is relatively slight, however. Employers who have been liable for contributions for a period of 8 years or more receive 5 points; those liable 4-8 years, 4 points; and all others, 3 points.

Another innovation in recent unemployment compensation legislation is the liberalization, in Maryland, Montana, and Nevada, of the requirement that a claimant be able to work and available for work. These amendments permit payment of benefits to individuals whose unemployment is due initially to lack of work, so long as they do not refuse an offer of normally suitable work. The Social Security Board had to decide whether such an amendment is consistent with its interpretation that title III of the

Social Security Act and the Federal Unemployment Tax Act apply only to State laws providing for the payment of benefits to individuals who are able to work but unemployed by reason of lack of work. The Board approved such amendments on the theory that where lack of work is the initial cause of unemployment it continues to be the primary cause, even though sickness or disability intervenes, as long as no suitable work is available for the claimant.

Maryland is the first State in the Union to eliminate the waiting-period requirement. In the new uniform benefit year beginning April 1, claimants may file their first compensable claim at the end of the first week of unemployment and may receive benefits retroactive to the date of the initial claim.

State Legislatures Memorialize Congress

A joint memorial of the Legislature of the State of Utah, presented to the Senate on March 27 and referred to the Committee on Finance, requested the President and the Congress "to take immediate action to provide opportunity for social security insurance coverage to all workers in the United States not now covered under social security insurance, to provide for unemployment compensation under the existing State-Federal system, coverage coextensive with old-age and survivors insurance coverage, to extend social security insurance to protect against temporary and permanent disability, and to protect the social security insurance benefits of members of the armed forces, the merchant marine, and workers in certain war industries."

In connection with the extension of coverage to workers in excluded operations, the memorial listed specifically "farm workers; domestic servants; lay employees of religious organizations; persons employed by educational and charitable institutions; members of the merchant marine; self-employed farmers; professional men and women; and owners of small businesses; and, by voluntary compact between the appropriate governmental unit and the Social Security Board, employees of State and local governmental units not now covered by existing systems."

Extension of the system to cover temporary and permanent disability,

the memorial stated, was urged with the recognition that "those hazards are as great as, if not greater than, the hazards of old age, death, and unemployment." In addition to the recommendations for extending coverage of unemployment compensation and protecting the old-age and survivors insurance rights of servicemen, men in the merchant marine, and workers in certain war industries operated by the Federal Government, the memorial also recommended "a system of unemployment benefit payments, similar to that extended to veterans under the Servicemen's Readjustment Act of 1944, for members of the merchant marine and workers in war industries not currently covered."

New York and Vermont also presented resolutions to Congress, on April 9, pointing out that thousands of men and women in their States will have lost, because of war service, from 1 to 4 or more years in accumulation of the benefits provided by old-age and survivors insurance, and requesting Congress to pass "with all convenient speed appropriate legislation providing that men and women in the armed forces shall receive appropriate wage credits on their old-age and survivors insurance account for their period of military service."

House Votes Funds for Social Security Study

On March 26, the House of Representatives agreed to House Resolution 204, presented by Representative Doughton, Chairman of the Ways and Means Committee, authorizing that Committee to spend up to \$50,000 for "obtaining information with respect to the need for the amendment and expansion of the Social Security Act, with particular reference to old-age and survivors insurance and the problems of coverage, benefits, and taxes related thereto . . ."

Inter-American Conference on Problems of War and Peace

In a Declaration of Social Principles of America, the 20 American republics represented at the Inter-American Conference on Problems of War and Peace, held in Mexico City from February 21 to March 8, reenforced the guarantees for continental security and solidarity provided in the Act of Chapultepec with recommendations for extending social security

(Continued on page 34)

Social Security for State and Local Government Employees

By A. J. Altmeyer*

Of the workers excluded from old-age and survivors insurance by the Social Security Act in 1935, employees of State and local governments had more protection through their own retirement systems than some other excluded groups—for example, domestic and farm workers. But the denial of coverage to all State and local employees was due primarily to legal problems involved in taxing their pay rolls rather than to the protection which some of them already had. The legal problem no longer appears insurmountable. What role, therefore, could the basic social security system play in strengthening existing provisions for this group of our working population?

IN THE DECADE since the Social Security Act became law, retirement systems for State and local government workers have continued to grow. Almost a million and a half State and local government workers and their dependents, however, still lack any systematic protection against the risks of loss of earnings through old age or death. A somewhat larger group of public employees—about one and two-thirds million—who are now members of State and local retirement systems have some protection, widely varying from system to system in type and effectiveness. Under even the best systems, however, the protection may be completely wiped out by a single change in employment.

Retirement systems for public employees have developed unevenly in different areas and in different occupations. They fail to include many of the government employees who have the greatest need for them. Those who are not members of retirement systems are generally the lower-paid workers—those least able to achieve security individually. In January 1942 the average monthly pay of State and local employees who were not members of retirement systems was only \$89, as compared with \$155 for those covered by retirement systems. This difference is due in part to the concentration of retirement plans in the States where salaries of public employees are higher, but within States and even within government departments which maintain retirement systems the average pay of the members of retirement systems exceeds the average pay of the workers who are not covered.

Furthermore, the workers most

likely to need social insurance because they are married and have families dependent upon their earnings are probably underrepresented in the covered group. About 70 percent of all school department employees—who include an unusually high proportion of single women—are members of retirement systems, as compared with only 43 percent of all nonschool State and local government employees. Even within retirement systems for school department employees, this difference is accentuated in that membership is frequently open only to teachers, while custodial and other nonteaching employees are excluded.

It is an indisputable fact that State and local government workers who do not belong to retirement systems have an urgent need for social insurance. Many of them have expressed their desire for coverage under the Federal system in letters to the Social Security Board or through spokesmen for their organizations. Three States, Utah, Vermont, and Washington, have already passed legislation to enable their employees to participate in the Federal system if the Social Security Act is amended to permit such participation. Resolutions favoring the extension of old-age and survivors insurance coverage to all public employees have been passed by the legislatures of Alaska, Delaware, Montana, Oklahoma, South Carolina, and Texas; and in Arkansas and Oregon similar resolutions have been passed with respect to specified groups of public employees. The legislatures of Idaho and New York have approved resolutions favoring the extension of old-age and survivors insurance to occupations not now covered, among which is public employment. Local

governments in a number of States, including Arizona, Colorado, Connecticut, Florida, Missouri, Nevada, New Jersey, North Carolina, Pennsylvania, and Washington, have petitioned Congress to extend social insurance to public employees or have passed resolutions in favor of such an extension.

Existing Protection

The advantages of coverage under the national system are obvious for State and local employees now without retirement provision. These advantages for members of existing retirement systems also are apparent when the character of their present protection is examined.

Because a primary function of State and local systems is to provide an orderly and humane method of retiring employees who have served the public so long that they have grown too old to perform their work efficiently, most systems have relatively stringent eligibility requirements of age and years of service. Until a member has worked for a particular governmental unit for many years, his stake in his retirement system is generally tenuous at best and it may be lost completely if he changes jobs. Transfers between governmental units in a State may be effected without loss of retirement rights if the employee is in an occupation covered by a State-wide system (a type most common for teachers) or if the retirement system has a provision for crediting service performed for another governmental unit. The latter provision is relatively rare and is, of course, completely ineffectual if the worker leaves public service to shift to private employment. Although such a shift may bring him within the scope of old-age and survivors insurance, he must undergo a period during which he is unprotected while establishing eligibility for benefits, and if he eventually receives a benefit, it will be relatively low because his governmental employment is not credited in determining the benefit.

The seriousness of the loss of protection may be gauged by the number of former members of State or local retirement systems whose contributions are refunded; during the fiscal year 1940-41, for example, refunds were made to more than 82,000 persons. Many of these lost rights they had built up over years. The number

* Chairman, Social Security Board.

of former members who thus received refunds represented about 6 percent of the membership of contributory systems in January 1942; in some types of plans, the rate of withdrawal ran as high as 16 percent. These figures understate the size of the problem in that some contributory plans do not refund contributions of any employees who leave the system, while others do not make refunds if the employee is discharged with prejudice or has contributed for less than a stated number of years. The figures also do not measure the loss of coverage under noncontributory systems. More important, in that fiscal year the full impact of shifts from public employment to war industries had not been felt. The amount of contributions refunded in 1942-43 was 80 percent greater than in 1940-41. A report of the National Education Association shows that approximately 65,000 teachers left school employment for jobs in war plants or other industries between December 1941 and the end of the school year 1943-44.

Many of the State and local employees who have been drawn away by the higher pay or greater urgency of private jobs will return to public employment. Some will go back to the same governmental unit and may be permitted to regain retirement credit for their earlier government service by redepositing their contributions. But, because they will receive no credit for their intervening employment, some will fail to qualify for retirement benefits and others will suffer a reduction in benefit amounts.

Usually State or local retirement systems are designed primarily for retirement after many years of service; many systems make little provision for the family of a public servant who dies in service. Most plans covering policemen and firemen recognize the need to provide for survivors of employees who die in service; but plans covering workers in less hazardous occupations commonly make no provision for survivors except to return, in a lump sum, the amount which the employee contributed to the system. Some systems provide monthly benefits for the survivors of a public employee who dies after retirement but usually only if the member chooses to take a reduced retirement benefit during his lifetime.

It has been argued that this type of provision for survivors serves the

needs of State and local government workers because many of them do not have dependents. This argument does not fit the facts for even the segment of public employment in which women predominate—teaching. The National Education Association reports that 13 percent of the Nation's teachers are married men and that nearly half of all women teachers are responsible for the full support of one or more other persons.

Advantages of Coordination With Federal Program

The comments above must not be taken as a suggestion that State and local retirement plans be scrapped and social security coverage substituted. The Social Security Board has long recognized that workers covered by State and local retirement systems should have more than the minimum furnished by the Federal social insurance system. The objective of the Board is to increase, not decrease, the protection available to workers and their families. Both types of systems have definite roles to play in achieving this objective.

Briefly, the roles of the two systems in a coordinated plan may be described as follows: The basic social insurance system would provide continuing protection, crediting all service no matter where or in what occupation, and would assure that the worker and his family or his survivors receive a benefit sufficient to provide the essentials of life when earnings cease because of old age or death. The State and local retirement plan would supplement this basic protection. It would continue to make public employment attractive by rewarding the employee who spends much of his working life in government service with a benefit in addition to the basic benefit of the Federal system.

Under such a plan, the limitations of a special system are balanced by the strength of an underlying program. The fact that State and local retirement systems do not provide adequately for workers who move in and out of government service becomes less serious when all governmental as well as nongovernmental employment can be credited under the basic system. The higher average benefit of the usual State and local plan, heavily weighted by years of service, supplements the lower social security benefit, which is heavily weighted in be-

half of lower-paid and short-time workers. Retirement benefits under the social insurance system are increased if the beneficiary has eligible dependents; under the State and local system, they are usually decreased if the retired worker wishes to provide monthly benefits for his dependents after his death. The monthly benefits which the social insurance system pays to the families of workers who die before retirement age might continue long after the family had used up the lump-sum refund of contributions—usually the only survivor payment made by State and local systems in such cases.

This teamwork could also be carried over to permanent disability insurance, which the Board recommends for inclusion in the social security program. Most of the State and local retirement systems require relatively long periods of service as a condition for receipt of ordinary disability benefits, and in many cases the amount of the benefit is reduced if disability occurs much below normal retirement age. In general, the period required to establish eligibility under the social security system would be shorter, and although basic benefits might be lower for some persons, additional allowances would be made for dependents.

The type of coordination proposed for State and local employees is similar to that which is now being used in private industry. The successful adaptation of industrial retirement systems which were in operation when old-age and survivors insurance began refutes the argument that existing State and local retirement systems would be destroyed if coverage of the Federal system were extended to public employees. On the contrary, the rapid expansion of industrial retirement systems in recent years indicates that we can expect new State and local retirement systems to be established once the social security system provides basic protection on which they can build.

Practical Considerations

Can public employees and can the governmental units for which they work afford the costs of this coordinated plan? Because the costs of social insurance are distributed among large groups of the population and over a long period of time, they do not fall heavily on any individual. A few

examples of old-age and survivors insurance will illustrate the value of the present benefits in relation to the amount the employee now contributes.

Bill Brown has been a clerical worker for a manufacturing company at an average monthly wage of \$150 since old-age and survivors insurance became effective at the start of 1937. Now, 8 years later, he reaches age 65 and chooses to retire. He will receive regular monthly payments of \$32.40 for the rest of his life, and his wife, on reaching age 65, will receive half as much, to bring their total up to \$48.60 a month. If Mr. Brown dies, the benefit which his widow receives will be increased to three-fourths of his benefit amount, or \$24.30 a month.

Or assume that Bill Brown is a younger man who dies after receiving \$150 a month during 8 years of covered employment and leaves a widow and two children, 1 and 4 years old. Mrs. Brown's benefit will be three-fourths of her husband's primary benefit amount, or \$24.30, and each of the children will receive \$16.20 a month. The total family benefit of \$56.70 will be paid monthly for 14 years, until the older child is 18. Then his payments will stop and the family's total will fall to \$40.50. Three years later, when the younger child reaches 18, the monthly benefits will be discontinued but, unless Mrs. Brown remarries, her monthly benefit of \$24.30 will be resumed when she is 65 and will continue until her death.

These monthly amounts are not large. Old-age and survivors insurance benefits are not intended to provide more than a basic minimum. It is expected that, over and above this basic security, families like the Browns will have built other sources of security through savings, through private insurance, or through membership in supplementary pension systems. The small cost of old-age and survivors insurance permits families to build such additional security. In either of the examples above, at current contribution rates, Bill Brown himself paid less than \$150 in contributions, a very good investment. In the second example, if Mrs. Brown lives to 75, his family will receive, over the years, almost \$14,000.

The 1 percent of wages which covered employees and their employers each pay now for old-age and survivors insurance is scheduled to rise

to 3 percent each. If State and local government workers were covered under an expanded Federal social insurance system including not only old-age and survivors insurance, but also permanent total disability insurance, unemployment compensation, and medical and hospitalization benefits for themselves and their families, the contribution rate which they and their employing governmental units would pay would, of course, be higher than what they would pay for old-age and survivors insurance alone. This social insurance contribution, however, would not represent an entirely new and additional claim on the worker's pay check; it could, instead, be an orderly method of paying in advance part of the costs which he has formerly met in other ways—through individual sacrifice to pay medical and hospital bills, for instance.

State and local employees covered by contributory retirement systems in 1940-41 were contributing, on the average, a little more than 4 percent of their pay to their retirement systems; this proportion varied, of course, from system to system and from member to member—depending in part on the type of protection they were buying and the age at which they started to purchase it. The average contribution of the governmental units to the same systems ran somewhat higher, between 5 and 6 percent of the pay roll of covered employees. Existing retirement plans could be amended to provide benefits which would supplement those of the Federal system. The combined basic and supplementary benefits could be at least as high as benefits now paid by State and local systems. If the State or local retirement system has funded all recognized earned liabilities, it would thus be possible to provide additional protection and continuity of protection at little or no increase in over-all cost.

Comprehensive social insurance provision for public employees could include protection against the risk of unemployment. State and local government employees are now excluded from coverage under the Federal provisions relating to unemployment compensation. Unfortunately, even though many States have gone beyond the coverage of the Federal act in other respects, practically every State has followed the Federal act on this point and has excluded State and lo-

cal government workers from coverage. The job security attached to public employment is commonly overrated. One of every 11 government workers was reported unemployed in the census of March 1940. While civil-service laws give them some security in their jobs, not all jurisdictions have such laws. Even in those which do, certain groups are outside the system; in addition, functions needed at one time become obsolete and are discontinued, or appropriations are cut and staff reduced. Another indication that these workers need protection is given by the fluctuations in the level of government employment within a year.

At the present time, many workers in public employment, as in private industry, are temporary employees replacing servicemen. The group in public employment, however, will have no protection against unemployment when demobilization and reconversion come. Comprehensive social insurance provision, including an orderly method of compensating wage loss due to unemployment, can soften the impact of the demobilization and reconversion period for employees of State and local governments and can provide continuing future protection.

The problems of taxation which were primarily responsible for the initial exclusion of State and local employees from the national system relate to the legality of levying the Federal social insurance tax on State and local governments in their role of employer. During the early days of the program, when the principle of social insurance was on trial with workers and employers throughout the country, it seemed advisable to avoid additional problems of administration and constitutionality. Now that Federal old-age and survivors insurance has been functioning for 8 years and many administrative problems have been solved, there is no excuse for continued exclusion. The Social Security Act could be amended to permit employees of State and local governments to be covered by means of voluntary compacts with the Social Security Board. Because payment of the employer tax would be voluntary, questions of sovereignty and constitutionality need not arise.

Extension of coverage by this method might be slow, but it would

be a notable step in the right direction. As the basic social security program is broadened and improved and as coordination with supplementary State and local systems proves feasible and desirable, workers and their employing governmental units will become increasingly aware that they

cannot afford to do without the basic social security system.

Almost fifty million workers in 1944 earned wage credits under Federal old-age and survivors insurance. That system already has more than a million persons on its benefit rolls. It can serve as a foundation on which

to build social insurance against other risks and for other groups of the population. Through the extension of the existing social insurance program, State and local government workers, too, can obtain maximum social security protection for themselves and their families at minimum cost.

Human Aspects of the Transition From War to Peace

By Ewan Clague*

THE PRODUCTIVITY of the American economy in wartime has been astonishing. We have raised and equipped an immense army, built and manned the world's greatest navy, created an air corps which encompasses the earth; we have supplied munitions of war to the armed forces of our Allies in all parts of the globe; we have built a vast merchant marine to carry our goods to all countries in the world; and we have supplied industrial equipment, food, and other supplies to improve the war output of our Allies.

Yet, in spite of all these things, we have not, as a people, suffered severe hardships through a shortage of consumer goods. It is true that we cannot now buy new automobiles, new radios, new tires, and many other kinds of commodities; but we have maintained a reasonably satisfactory output of current consumer goods even at the peak of war production. The American people as a whole are eating more and better food than before the war, buying more clothes, and living better generally. This war has demonstrated as nothing else could how much idle and unused productive power there was in the American economy during the depression of the 1930's. The basic economic problem which faces the American people is whether we can capture for the post-war world the high productivity of the war.

How did we achieve our present high productivity? Spectacular industrial processes which have increased output with decreased time and effort have been brought to public attention. The creative genius of the inventor, the ingenuity of the

*Director, Bureau of Employment Security. The author wishes to acknowledge his indebtedness to W. S. Woytinsky, Principal Consulting Economist of the Bureau of Employment Security, for various estimates used in the discussions of labor mobilization and post-war readjustment.

businessman, and the skill and effort of the American worker have been combined as never before in the attainment of the maximum possible national output of goods and services. Yet these striking individual illustrations have served to obscure somewhat the more basic reasons for our success. It is the tried and established methods of the average business firm which have brought forth these spectacular results in wartime. We are producing what we are today because we have put capital and labor to work as we did not do before.

Mobilization of the Labor Force

At the time of the decennial census in April 1940, approximately 53 million persons in this country were recorded as "gainful workers." They constituted the Nation's labor force at that time. About 45 million of them were then at work or had jobs, including self-employment, and some 8 million were unemployed. The standard workweek was 40 hours, with some industries working less, and with much short-time and part-time work.

Exactly 4 years later, in April 1944, there were again, according to estimates of the Bureau of the Census, approximately 53 million persons in the civilian labor force, of whom less than a million were out of work. During this same period, however, a net total of about 11 million persons had been withdrawn for service in the armed forces, nearly all of whom would otherwise have held or been seeking jobs in the labor market.

The New Workers

In general, the withdrawals have been counterbalanced in two ways: first, by the natural growth in population, and, second, by the addition to the labor force of emergency workers who would not normally be workers

at all. At the present time, some 2½ million children reach age 16 every year. Not all of them normally seek jobs; some continue in school and others—girls, primarily—remain in the home. Yet the number who enter the labor market each year far exceeds the number of persons who retire because of old age or drop out of the labor force for one reason or another in middle life. The normal labor force continues to grow. It is this factor which partly explains why, even after 7 years of recovery from the spring of 1933, there were still 8 million unemployed in the spring of 1940.

The Emergency Workers

The second source of labor has been the emergency workers who have been induced to enter the labor market during the war, or persuaded to stay there beyond their normal time. According to calculations of the Bureau of Labor Statistics, the number of emergency workers in the labor force in the spring of 1944 was about 6.7 million. These emergency workers may be broadly classified as follows:

(In thousands)	
Young workers, boys and girls, who normally would have been in school	3,270
Workers, aged 65 and over, who would have retired	450
Marginal workers	1,180
Married women, including service wives	1,800

Thus, almost half these workers are young people—about two-thirds of them boys—who would have been in ordinary times in high school or in college. A very large proportion of these youngsters would have eventually entered the labor market anyway; during the war they got in much earlier than usual, either by speeding up their education or by dropping out of school.

Most of the aged workers (nearly 95 percent) are men. Some of them have returned to the labor market after a period of retirement, but most have simply stayed on beyond the normal retirement age.

The marginal workers include some three-quarters of a million men from

25 to 54 years of age, most of the men 55-64 years of age who have postponed retirement, and about 100,000 women workers. Undoubtedly this group includes a small proportion of able and competent workers who had previously retired but who have now returned to work, but their number is small. The common characteristic of this whole group is that they could not meet the standard requirements of employability before the war but found work when these requirements were lowered. They are the limited and handicapped workers, many of whom were classified in the 1930's as "unemployables." For some of them the war has represented the only opportunity in years for paid work.

Finally, more than 1 in 4 of the emergency workers is a married woman. Some 600,000 of these women are the wives of servicemen and are working for patriotic or financial reasons while their husbands are at war. Most of these are young women in their twenties. On the other hand, about 1.2 million of the married women are between 35 and 64 years of age and have been brought into the labor market because of wartime labor shortages. Few of them have children under 18 years of age; normally they have maintained homes for their husbands. Perhaps in a good many instances their financial need has not been especially great. More than any other group, perhaps, they are the patriotic war workers who have responded to the Nation's war need.

Hours of Work

Another factor in the mobilization of labor has been the lengthening of the workweek and the shift from a great deal of short-time and part-time to a large amount of overtime work. Factory workers, who averaged 37½ hours a week in 1939, now average 45 hours; shipyards are now working 49 hours instead of the pre-war 38 hours. The workweek for the machine-tool industry has increased from 43 to 50 hours, and bituminous-coal mining, from 27 to 43. Agriculture, service, and trade as well as manufacturing have shared in the general increase, which probably amounted to about 20 percent for the economy as a whole. Although the rise in output of goods and services per worker has been somewhat less, the increase in volume of production, despite the use of many inexperienced

workers, has been equivalent to adding several million persons to the labor force.

Migration

One important aspect of this civilian mobilization does not show up in the over-all Nation-wide figures. This is the migration from one part of the country to another which has occurred in the process of achieving our vast war production. The Department of Commerce, using data compiled from the OPA ration-book registration, has estimated the shifts in population since the national defense program began. A recent compilation provides estimates of the net interstate migration of population in the 3½ years between the decennial census in April 1940 and the fourth war-ration-book registration in October 1943. The most striking fact is that the greatest migration has been to the Pacific Coast—California, Oregon, and Washington. In California alone there has been an increase in population of more than a million persons since the 1940 census. A lesser but equally significant migration has been to the Middle Atlantic Coast, particularly to Maryland, Virginia, and the District of Columbia, but also including Florida in the far Southeast, and New Jersey and the lower New England States further up the coast. Finally, there has been a big migration to the four States bordering on the Great Lakes—Michigan, Ohio, Indiana, and Illinois.

The interior sections of the country, on the other hand, have been drained to meet these coastal needs. Practically every State in the Great Mississippi Basin, from the Gulf of Mexico to Canada and from Wisconsin westward through the Rocky Mountain States, has lost population. There were likewise net losses in New York, Pennsylvania, and a number of the Appalachian States.

None of these data take into account the intrastate migrations, which have also been spectacular during the war. In Texas, Louisiana, Mississippi, Alabama, and North Carolina, for example, there have been marked shifts in population to the coastal areas even though each State as a whole showed a net decline in population. Thus tremendous numbers of American workers and their families have moved from the country to the towns, from city to city,

or from State to State during the war.

If we go back through the census data for the 1930's and the 1920's, we can see these recent wartime migrations in a new light. Briefly, what this analysis shows is that the shift in population to the Pacific Coast, and to the Middle and South Atlantic Coast, is a long-time trend which has been going on for decades. Thus California, Oregon, and Washington had gains in population during the depression years of the 1930's, and, preceding that, during the prosperous 1920's. The western frontier has not been closed. People are still "going west." They are also going southeast to the Atlantic Coast line.

This longer look backward also brings to light the fact that these migrations include a heavy business-cycle feature. The Great Lakes States, for example, have gained in population in the 1940's. However, they lost heavily during the depression of the 1930's when the automobile and other industries in that section of the country closed down. Conversely, in the prosperity of the 1920's these same States gained greatly in population.

The evidence is that there are two distinct population movements in the United States. One is the trend which occurs from decade to decade both in goods times and bad. This trend has been accentuated by the wartime demands for labor. On the other hand, there is a cyclical movement from the agricultural States to the big industrial States during prosperity and then back again into the agricultural States in a depression. The net result has been a tremendous shifting of the civilian population of the United States during the war, a shifting which will complicate the post-war readjustment and which will have serious consequences for our post-war economy.

Contribution of Labor Toward War Production

To summarize briefly, the picture of the wartime labor force is as follows. The loss of 11 million servicemen and servicewomen from the labor force has been made up by the normal growth of population and the recruiting of additional workers from among the nonworking population. The unemployed have been almost entirely absorbed; the number of unemployed at the present time constitutes the almost irreducible minimum of turn-

over in a working population of this size. At the same time the workweek has been lengthened. Moreover, the war has accelerated certain population shifts and altered others in the interest of concentrating workers in the areas where they could serve most effectively on the labor front. Labor has mobilized for production.

Phases of the Post-War Economy

Discussions of the economic readjustments following the war have often been clouded by the lack of any clean-cut definition as to what period of time is meant. Sometimes it is implied that the war will end abruptly on a given date (like November 11, 1918) and that the peacetime readjustment is something which will follow within the next year or so and then be completed. As a matter of fact, precise thinking demands a recognition that the war is unlikely to really "end" on some one single day. Economic readjustments will constitute a series of stages which may encompass two or three decades. For the purpose of this paper, I should like to define four periods.

The First Stage

The first is the relatively minor economic readjustment which is expected to occur when the war in Europe is over, even though war is still going on against Japan. This may involve a large-scale cancelation of war contracts and a partial reconversion to peacetime production. Hundreds of thousands, perhaps several millions, of war workers may be laid off, and there will undoubtedly be some temporary unemployment pending such reconversion as is then permitted under wartime conditions. This first readjustment period, which may begin some time in 1945, might bring serious business and economic problems, but it should not be too difficult a period so far as labor is concerned. Despite the numbers of workers laid off, unemployment should not reach very great heights at any one time, and for individual workers it should not be of long duration.

Second Stage

The second readjustment period will follow the end of the Japanese war. It will involve the final major job of shifting to peacetime production following the cut-backs in war

contracts to peacetime levels. Almost inevitably this will mean temporary interruptions in business and employment. No matter how many preparations are made or how fast the reconversion is achieved, there is likely to be a period of a year or more during which production will fall sharply from wartime heights.

For labor this may mean a severe shock. Millions of lay-offs will occur in munitions industries as well as in the subsidiary industries. In certain sections of the country which have been devoted almost entirely to munitions production, new "depressed areas" may develop in which business becomes practically nonexistent and unemployment almost complete. The returning war veterans, nearly all of them seeking jobs, will add more labor to a wartime-inflated labor force.

From the point of view of the workers, there will be one outstanding characteristic of the post-war labor force, namely, a surplus supply of workers in relation to the demand for them. Allowing for the men who will remain in the armed forces, some 9 million ex-servicemen will return to civilian life and will find themselves part of a labor force which has been expanded during the war by some 6 or 7 million emergency workers and perhaps 3 or 4 million new workers added through the growth in population. The net result might well be that the labor force, including persons in the peacetime naval and military establishments, may average some 60 million in 1950 and perhaps 63 million in 1955. It is noteworthy that President Roosevelt, speaking in Chicago on October 28, emphasized a post-war program of providing close to 60 million jobs.

Of course, many wartime emergency workers will retire from the labor market after the war. At least half a million persons beyond age 65 can reasonably be expected to drop out of the labor market after the strenuous years of war production. Most of the 600,000 servicemen's wives will undoubtedly become homemakers exclusively, although they may stay in the labor market temporarily until their soldier husbands find satisfactory peacetime jobs. Many of the younger workers under age 20 may decide to return to school in order to complete their training or education.

On the other hand, a very large proportion of the handicapped and mar-

ginal workers will cling tenaciously to their newly won status of self-support. It will be a bitter experience for many of them if they find themselves pushed out of the labor market by a shortage of jobs. Comparable with this group may be some hundreds of thousands of veterans who have suffered war injuries of one kind or another and who will require special placement and employment opportunities after the war. Probably many of the older married women will also want to remain in the labor market indefinitely. These women are available for work; many have proved highly satisfactory employees in wartime; and most of them do not have a full-time job in the home.

This is why reconversion unemployment occurring soon after the end of the Pacific war may cause such a shock to the economy. If business should fall to the level of April 1940, with only 45 million jobs at pre-war weekly hours, but with 60 million job seekers, the resulting insecurity and unemployment can best be left to the imagination. There would be such a scramble for jobs and such cutthroat competition on the part of veterans, war workers, young workers, old workers, men workers and women workers, white workers and colored workers, that the general safety and stability of the Nation might be endangered. If there is one thing certain after this war, it is that we cannot go back to pre-war employment, wages, earnings, and incomes. The first and most vital post-war problem which faces us is how to ensure that we do not fall back to that level.

The prevailing opinion among economists and students of business conditions is that a major depression is not likely to occur immediately after the war. There is an enormous volume of deferred purchasing power in the hands of the people in the form of war bonds and other savings. There is a great potential demand for types of consumer goods of which we have been deprived all during the years of the war. It is an axiom of economic history that, when a great demand exists and there is purchasing power to make that demand effective, production and prosperity will result. We could make so many mistakes of policy and planning as to bring about a serious depression after the war, but the chances of a successful reconversion are all in our favor.

Third Stage

This leads naturally to the third stage of development—a post-war business boom. This is the period which Professor Sumner Slichter of Harvard has called the “catching-up economy.” By the end of the war, our stock of automobiles may fall to 17 or 18 million cars. After the war the American people are likely to want about twice that many. After conversion the automobile industry should have little trouble selling at least 6 or 7 million cars a year, which is a greater output than the automobile industry has ever yet produced. For 4 or 5 years the industry could run at this level. Then our stock of automobiles would be built up to normal levels, and we would need only the annual replacement, which might be only 3 or 4 million cars a year. So too with refrigerators, radios, furniture, and many other durable consumer goods. This period of catching up can be a period of feverish prosperity. If the population insists on having its demands met quickly, there can be spectacular increases in prices and a marked peacetime inflation. After such a long period of total war as this Nation and as the world has endured, there is some danger that people may not want to wait and take their time in acquiring new goods. On the employment side, the labor surplus mentioned previously may provide an incentive to “whoop it up” for post-war expansion in order to lessen the problem of unemployment.

Fourth Stage

Finally, there will come a time when the economy has been built up to normal peacetime levels and when the excess production of the catching-up economy must be cut back. By this time much of the more liquid savings of the people will have been converted into goods, and families in general will depend on current earnings for their normal purchases. At that time, reductions in wage earners' incomes due to unemployment or short-time employment will bring about sharper declines in spending. There will be no large backlog of deferred purchasing power in the form of savings. The stage is then set for a real depression; each successive cut in employment brings a further cut in spending, and the vicious spiral rapidly gets under way. The greater the excesses of the preceding boom, the

worse the deflation in this readjustment. Not only that, but such a depression is likely to be deep and prolonged.

This pattern of alternating prosperity and depression is a familiar picture after major wars. We find clearly outlined after the Civil War a short depression (1866-67), a period of wild prosperity (1868-72), and a period of deep depression (1873-79). Again, with minor differences in timing, we saw it after World War I: a shake-out depression involving primarily the collapse of wartime prices (1921-22), a period of prosperity (1923-29), and a period of depression (1930-39). After this present greatest of all wars, what assurance is there that this pattern will not be repeated? Certainly, those who argue that all that is necessary is to give business its head and let things alone have the burden of proof on their side. There were no Government controls after the Civil War and not many after World War I, but the result was not uninterrupted prosperity.

There is a great problem of planning for the next 10 or 15 years. If the problems of readjustment are to be met, a set of policies must be devised to meet them. The significant point is that no one single policy will do the job. At times it will be necessary to cushion the shock of unemployment; at other times, equally necessary to knock the top off the boom. At times Government and the community must provide support to business enterprise; at other times it may be necessary to hold back. For the short conversion crisis immediately after the war, the most appropriate policies may be those designed to hold the labor force in readiness for reemployment when business recovery gets under way. Ten years later, if there is a major depression, a gigantic program of public works and Government expenditures may be imperative. Since this longer-run problem lies some distance ahead, we may leave it for the time being. The first problem we face is the economic readjustment of the reconversion immediately following the war. At present we should bend all our energies toward the solution of that problem.

Unemployment Compensation in the Post-War Period

The years immediately following the war will hold great insecurity and

uncertainty for many millions of wage earners and their families. Counting the ex-servicemen, as many as 25 million workers may change jobs within 2 years after the end of the Japanese war. Some of these changes will involve shifts from industry to industry and from State to State. The job changes will be made more difficult because many may involve losses in wages, in skills, and in industrial status of the workers. Many of the emergency workers who want to remain in the labor market will be disturbed by the fear that they will lose out completely.

This is exactly the type of situation for which social security, particularly unemployment compensation, is especially designed. Should these workers be obliged to use up their wartime savings to finance the costs of their own readjustment? Such a course would be unfair to these people as individuals and might also be literally disastrous for the Nation. The vast amount of savings which the war has induced all classes of people to make augurs well for the future economic intelligence of the American people. If each family is both a saver and a spender, its members will be much more intelligent citizens and will urge on their government sounder community measures. If, however, millions of wage earners and their families are forced back into the situations they were in prior to the war, their outlook both as workers and as citizens will be embittered, with consequences which are not easy to calculate.

The basic protection required by all types and classes of workers during a violent transition period of the type we are describing is unemployment benefits, adequate both in duration and amount to tide the workers over their readjustment. Those benefits should be paid promptly, after a short waiting period, to persons who are unemployed. In this way all workers, whether unemployed or not, will have a sense of security and consciousness of a resource which will support the family's income while necessary industrial changes are taking place.

The amount now in reserve in the combined unemployment trust funds of all 51 States is more than \$6 billion and is likely to increase as long as the war lasts. Benefit payments at present are less than the interest which the Treasury pays on the fund.

Consequently, every dollar collected in current contributions is in effect added to the reserve for benefit payments in the difficult times ahead.

As it now stands, however, this system is by no means adequate to do the job that will be required after the war. One difficulty, which is associated with the financing of the program, is that, since the unemployment trust funds of the States are not pooled but are maintained as separate funds for each State, one State may in the future be out of funds while another has more than is needed. During recent years this factor of possible insolvency has operated to prevent the liberalization of benefit payments because of the risks involved. In the summer of 1944, however, Congress passed the "George Bill,"¹ which established a Federal unemployment account in the United States Treasury from which advances of funds can be made to States under certain conditions, namely, when their own trust funds are nearing exhaustion. This Federal loan fund therefore assures, temporarily at least, the solvency of the State trust funds. This in turn should make possible more confident State action in improving the benefits.

A second limitation is the lack of protection afforded to millions of workers. Among the classes now without unemployment insurance are the 3 million employees of the Federal Government, including employees in army arsenals and navy yards. The majority of these Federal employees have only war-duration appointments, and, like employees of private industrial establishments, many of them will be laid off at the end of the war. Another large group, numbering perhaps another 3 million persons, is made up of employees in small establishments. Some States have extended coverage to all workers employed by employers having one or more employees at any time, which is equivalent to the coverage in Federal old-age and survivors insurance. Other States, however, have set the limit at a higher level, and in a good many States the coverage is identical with the Federal definition of employer in the Federal Unemployment Tax Act, which is 8 or more employees in each of 20 weeks in a given calendar year.

Agricultural employees are not covered, although these too may experi-

ence a great deal of unemployment after the end of the war. In fact, because of a widening of the definition of agricultural labor by the Federal Congress in 1939, many employees of agricultural processing plants and other large-scale business enterprises are not now covered, although they were during the early years of the system. Finally, employees of non-profit agencies and of State and local governments have at present no protection; nor are domestic servants covered, except to a very small degree in one State.

The urgency of extending coverage is not necessarily uniform for all these excluded groups; some will face greater risks in the post-war period than others. For some of them, however, the need is urgent that coverage should be established before the war is over.

A third factor of inadequacy lies in the amount and duration of benefits. The benefit schedules now in effect in most States were established in the later 1930's, when we were just emerging from the great depression. They were adapted to the wage scales of pre-war days. Furthermore, they were highly tentative; considerable emphasis was placed on caution until experience should demonstrate what amounts of benefits could be paid under the contributions schedule adopted. With some years of benefit-payment experience now behind us, it has become clear that the costs of unemployment compensation are not as great as had been anticipated and that the program can finance more nearly adequate benefits at lower costs.

The result is that now is the time for extending and improving benefits. In almost half the States, the maximum benefits payable are still only \$15 per week. In a great many States, also, the maximum benefits are paid for only 16 weeks or less. These amounts and these durations will not see the workers through the post-war readjustment. The Social Security Board, in a letter to the Governors of the States in November 1944, has recommended that benefits be paid up to a maximum of \$25 per week and that duration should be uniform at 26 weeks for all eligible workers. It was hoped that the State legislatures in the coming 1945 legislative sessions would generally adopt a scale of benefits approximating those amounts.

A further limitation to unemployment compensation is the inequities arising from strict disqualification provisions in State laws. A disqualification arises when workers are *not* involuntarily unemployed, that is, when their unemployment arises because of a discharge for misconduct, a voluntary quit, or a refusal of suitable work. In these cases, benefits are not paid, because it is either the worker's choice or his own actions which have led to his being out of work. Ordinarily, such workers are deprived of benefits for a period of time until it becomes clear that their continuing unemployment is due to the condition of the labor market rather than to their own actions. This means the postponement of benefits for, say, 4-6 weeks.

Unfortunately, in recent years State laws have developed a trend toward the imposition of much more severe penalties in these cases. The period of postponement has been prolonged to 8, 12, and even 16 weeks in some States; and in addition the practice has arisen of canceling the wage credits of the worker, so that he is no longer eligible for benefits even though later in the year he may experience obviously involuntary unemployment. In some States the penalties go even further. A worker who voluntarily quits one employer but immediately goes to work for another, and therefore is not disqualified at the time because he has not asked for benefits, finds his voluntary quit carried forward as a black mark to a future period. Then, when he is laid off and suffers genuine unemployment, this voluntary quit from the past is brought up against him and he finds himself disqualified.

This whole development has arisen out of the system of experience rating which has now spread to all but six States. Most systems of experience rating charge the benefits paid to a worker directly to some previous employer. The result is that the employer's contribution rate is driven up or down by the benefits paid to his former workers. This in turn results in efforts by employers to disqualify workers from benefits, not so much to deprive the worker of his rights as to avoid a charge to the employer's account. It is obvious that, from an employer's point of view, he should not be charged for the benefits paid to a worker who left him voluntarily.

¹ See the *Bulletin*, October 1944, pp. 10-15.

The Social Security Board has recommended to the States that cancellation of wage credits in the case of disqualifications should be eliminated, and that postponements should not be so severe as to deprive the worker of benefits in true cases of involuntary unemployment.

One indirect effect of this new trend is to tie the worker to one employer and to prevent him from moving to better jobs, to other industries, or to other parts of the country under penalty of losing his unemployment compensation. One solution for this problem, of course, would be to eliminate experience rating from unemployment compensation. Another is to devise systems of experience rating which will not have these effects.

Unemployment compensation can be at least the first line of defense for the Nation and for millions of individual workers in the coming transition period from war to peace. It is a flexible system in that benefits can be paid immediately and with the regularity of the normal pay envelope. It

measures the need with reasonable precision because it goes to those workers who actually experience unemployment and not to those who do succeed in finding work without loss of time. It does not pay benefits high enough to discourage reemployment (except possibly in isolated instances), and yet it should, with some improvement in benefits, provide enough money to carry the families through the unemployment period. It gives the worker a deep sense of security, because the conditions of eligibility are known and every worker can determine the conditions under which he will receive benefits. Furthermore, the funds are set aside in advance so there is assurance that in any circumstances the money will be paid. Again, as business recovery takes place, and the need declines, the benefit payments fall off. Finally, the machinery of administration is already established throughout the country and can go into full operation upon call.

An adequate system of unemployment compensation would constitute one of the best methods of helping to

effect a speedy and successful post-war transition. There has been much talk recently about free enterprise and its prospects in the post-war period. It is surprising to hear the argument that social security is a form of regimentation and therefore the enemy of free enterprise. In my opinion the situation is exactly the opposite. Progress and change are an essential feature of modern industrial society. Not only that, but the process is constantly being speeded up. Temporary unemployment is inevitable; in fact, it is an inherent part of any progressive society. The problem is how to provide reasonable protection for the workers, many of whom may be called upon to bear the chief burden of these changes. The cost of progress is a cost which should be shared by others than those directly affected. There is no simpler way of assessing that cost than paying unemployment benefits to workers laid off because of lack of work. Social security is a necessity for the successful operation of a free enterprise system.

Why Beneficiaries Returned to Work

By Edna C. Wentworth*

Of 2,380 male primary beneficiaries studied in 1941 and 1942 by the Bureau of Old-Age and Survivors Insurance,¹ about 5 percent retired from work voluntarily in order to enjoy an old age of leisure, and another 5 percent quit for other personal reasons. More than half the men had lost their jobs before entitlement, and about a third had quit working because of illness or failing health. Yet, neither ill health nor lay-offs kept some of the men out of the labor market permanently. From a sixth to a third of the men in the four surveys² who had filed for benefits because of ill health reported employment during the sur-

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¹For discussion of the purpose of the surveys, methods of selecting the sample, definitions, concepts, and general analyses, see the *Bulletin*, July 1943, pp. 3-20 and September 1943, pp. 3-17. For a discussion of the reasons why beneficiaries retired, see the January 1945 issue, pp. 16-20.

²The first survey was made in Philadelphia and Baltimore in May-July 1941; the second in St. Louis, November-December 1941; the third in Birmingham, Memphis, and Atlanta, February-April 1942; and the fourth in Los Angeles, March-July 1942.

vey year—that is, the year ending with the month preceding the interview; from a third to a half of the beneficiaries who had been laid off by their employers, and a slightly larger proportion who had quit their jobs because of other personal reasons, returned to work in the year studied. Even one-third of those who voluntarily retired found it necessary to return to work to increase their income.

Whether or not a beneficiary worked or sought work depended on several different factors, such as the available opportunities, ability to hold a job, adequacy of income without earnings, and psychological adjustments to retirement or to work at a lower skill or with less prestige.

Factors Affecting Return to Work

Twenty-five percent of the 508 male primary beneficiaries interviewed in Philadelphia and Baltimore were employed at some time during the survey year (table 1). This proportion was less than in the surveys conducted 6 months to a year later. Opportunities for employment of aged workers were undoubtedly greater with each suc-

cessive survey. Between the survey in Philadelphia and Baltimore and that in Los Angeles, this country had entered World War II and the demand for labor was steadily increasing. For example, unemployment for the United States as a whole decreased from 9.3 percent of the labor force at the end of the Philadelphia and Baltimore survey to 6.4 percent at the end of the St. Louis survey, 6.0 percent at the end of the Birmingham, Memphis, and Atlanta survey, and 4.5 at the end of the Los Angeles survey.³

The war industries drew on workers ordinarily attached to less essential

³U. S. Department of Commerce, Bureau of the Census, *Monthly Report on the Labor Force*, Mar. 9, 1945.

Table 1.—Percentage distribution of male primary beneficiaries reporting employment during survey year, four surveys

Employment status	Philadelphia and Baltimore	St. Louis	Birmingham, Memphis, and Atlanta	Los Angeles
Total number.	508	550	564	758
Total percent.	100.0	100.0	100.0	100.0
No employment.	74.6	62.4	54.4	61.9
Employment:				
Covered.	25.4	37.6	45.6	38.1
Noncovered.	16.3	24.0	19.5	22.7
	9.8	16.7	31.6	19.8

¹Based on an unduplicated count of beneficiaries. Total percent is less than sum of percents in covered and noncovered employment, since some beneficiaries reported earnings in both covered and noncovered employment.

industries as well as on the unemployed. Thus, in addition to any opportunities in war industries, jobs became available which were within the physical capacities of aged workers.

Beneficiaries who took jobs generally worked part time, a few reporting earnings from only one casual job lasting a day or two. Some worked short time regularly, that is, a few hours a day, or a day or two a week or a month, and some worked full time for a period ranging from a few days to almost 11 months. Only 12 to 24 percent of the employed beneficiaries in the four surveys worked full time for the entire year, that is, 35 or more hours a week for 11 or more months.

Close to two-thirds of the employed beneficiaries in Philadelphia and Baltimore and in St. Louis, and three-fifths in Los Angeles, worked in covered employment.* In the three

* Covered employment includes work in manufacturing industries, wholesale and retail establishments, banks, and other financial companies. The family benefits are suspended for the month in which the primary beneficiary earns \$15 or more in

Southern cities, however, a larger proportion of the employed beneficiaries worked in noncovered than in covered employment. Birmingham is dominated by the large steel mills and coal mines, and few beneficiaries found re-employment in those industries.

At the time of the interview* 16 percent of the male primary beneficiaries in Philadelphia and Baltimore, 27 percent in St. Louis, 30 percent in the three Southern cities, and 25 percent in Los Angeles, were employed.

Ability To Work

Each beneficiary interviewed was asked whether he thought his health

covered employment. The occupations not covered by the Social Security Act and in which a beneficiary may work without the loss of monthly benefits include self-employment, work in agriculture and domestic service, work for Federal, State, and local governments and educational, religious, charitable, and scientific organizations, and casual work.

* A man employed at any time during the week preceding the interview was considered to be employed at the time of the interview.

Table 3.—Percent of male primary beneficiaries who considered themselves physically unable to work, by age at entitlement, four surveys

Age at entitlement	Philadelphia and Baltimore	St. Louis	Birmingham, Memphis, and Atlanta	Los Angeles
Total.....	55.0	40.4	34.2	40.8
65.....	51.8	25.9	25.9	35.6
66.....	43.5	31.3	32.4	39.2
67-68.....	51.0	39.8	33.6	37.7
69 and over.....	73.1	58.0	46.5	54.5

would permit regular employment at that time. The attitude of the beneficiaries toward their health often determined whether or not they sought or got jobs. Occasionally an interviewer might disagree with the opinion of the beneficiary, and a physician might have given a different diagnosis. Nevertheless, the beneficiary's opinion of his health and not the interviewer's opinion or a physician's diagnosis was the controlling factor in his efforts to get a job.

Between 35 and 40 percent of the men reported without reservation that they were able to work; 10-30 percent stated they were able to work part time or on jobs which required little physical exertion; and 34-55 percent reported themselves unable to work (table 2). Beneficiaries 69 years or over at entitlement were more likely to consider themselves unable to hold a job than those aged 65-68 (table 3). The contrast between the age groups would be greater except that beneficiaries who were ill and unable to be interviewed were dropped from the survey and replaced by others.

The reports of the primary beneficiaries on their ability to work seem also to reflect the ease or difficulties in getting jobs. For example, in Philadelphia and Baltimore the percentage of beneficiaries in each age group reporting themselves unable to work was larger than in the other surveys. The smallest percentage reporting inability to work was found in the survey in Birmingham, Memphis, and Atlanta. In the year covered by the Philadelphia and Baltimore survey, from 9 to 14 percent of the labor force in the country was unemployed and jobs were hard to get. Belief in the futility of looking for work appears to have influenced beneficiaries' opinion of their ability to work. In contrast, jobs were fairly plentiful dur-

Table 2.—Opinion of male primary beneficiaries as to their ability to work: Number and percentage distribution by employment status, four surveys

Beneficiary's opinion as to his ability to work ¹	Number		Percentage distribution			
	Total	Percent of total	Total	Employed	Unemployed and sought employment	Unemployed and did not seek employment
Philadelphia and Baltimore						
Total.....	508	100.0	100.0	25.4	14.0	60.6
Able to work, without reservations.....	176	34.6	100.0	43.8	24.4	31.8
Able to work, with reservations.....	53	10.4	100.0	32.0	34.0	34.0
Unable to work.....	279	55.0	100.0	12.5	8.6	83.9
St. Louis						
Total.....	550	100.0	100.0	37.6	12.7	49.7
Able to work, without reservations.....	202	36.7	100.0	59.9	16.8	23.3
Able to work, with reservations.....	136	22.9	100.0	45.2	21.4	33.4
Unable to work.....	222	40.4	100.0	13.1	4.1	82.8
Birmingham, Memphis, and Atlanta						
Total.....	564	100.0	100.0	45.6	12.1	42.3
Able to work, without reservations.....	199	35.3	100.0	72.4	13.1	14.5
Able to work, with reservations.....	173	30.5	100.0	44.8	16.9	38.3
Unable to work.....	193	34.2	100.0	18.7	6.7	74.6
Los Angeles						
Total.....	758	100.0	100.0	38.1	9.9	52.0
Able to work, without reservations.....	305	40.2	100.0	57.4	15.1	27.5
Able to work, with reservations.....	144	19.0	100.0	46.5	16.0	37.5
Unable to work.....	309	40.8	100.0	15.2	1.9	82.9

¹ If a beneficiary specified "light work," "part-time work," etc., because of his physical condition, he was classified as "able to work, with reservations."

Table 4.—Total number of male primary beneficiaries and percent employed during survey year, by age at entitlement, four surveys

Age at entitlement	Philadelphia and Baltimore	St. Louis	Birmingham, Memphis, and Atlanta	Los Angeles
Total number				
Total.....	508	550	564	758
65.....	282	170	185	331
66.....	69	99	108	148
67-68.....	53	88	125	114
69 and over.....	104	193	146	165
Percent employed during survey year				
Total.....	25.4	37.6	45.6	38.1
65.....	26.2	50.6	49.7	42.3
66.....	40.6	52.5	47.2	40.5
67-68.....	32.0	35.2	50.4	36.0
69 and over.....	9.6	19.7	34.9	29.1

ing the year covered by the survey in the three Southern cities. Moreover, need to work was greater in those cities because the beneficiaries had smaller resources, and this fact probably accounted for the relatively small proportion of men who considered themselves unable to work.

As would be expected, men who declared themselves "able to work, without reservations" reported employment or attempts to obtain employment more frequently than men who felt they were able to perform only light work or particular work. Although most of the 1,003 men in the four surveys who said their health would not permit them to hold a job were unemployed and made no effort to obtain work, nevertheless each survey found some employed and a few others who tried to find work.

The beneficiaries who were older at entitlement worked less frequently than those who filed for benefits at age 65 or 66 (table 4). The difference is partly explained by the poorer health of the older men, although employment policies in the community may also have affected their opportunities to get jobs.

No significant difference is found between the white and Negro beneficiaries in the three Southern cities on the beneficiary's opinion of his ability to work. Thirty-six percent of the 374 white and 35 percent of the 190 colored men reported ability to work; 30 and 32 percent, respectively, qualified their statement, and 34 and

33 percent considered themselves unable to work.

Nor was there any difference in the proportion of white and Negro men considering themselves able to work in the three Southern cities who worked or sought work (white men, 85 percent, Negro, 86 percent). However, a significantly higher percentage of colored (33 percent) than of white men (22 percent) who considered themselves unable to work reported either employment in the survey year or efforts to get work.

Why Beneficiaries Returned to Work

Most beneficiaries worked during the survey year because they considered that otherwise their income would be inadequate to meet their needs. Sometimes income from temporary or supplementary sources, such as a payment under workmen's compensation or contribution from a relative, postponed the necessity of working. In general, however, the amount of income derived from reasonably permanent economic sources determined whether or not employment was essential. In addition to the insurance benefits under the old-age and survivors insurance program, such sources of income include retirement pay, private annuities, veterans' pensions, income from assets, and the estimated imputed rent from home ownership. From one-fourth to two-fifths of the beneficiaries in the four surveys had less than \$300 a year from all permanent economic sources. The proportion reporting \$600 or more a year was as follows:

Survey	Percent
Philadelphia and Baltimore.....	38
St. Louis.....	43
Birmingham, Memphis, and Atlanta.....	27
Los Angeles.....	41

The proportion of beneficiaries who returned to work was considerably larger in each survey for those whose permanent economic income was less than \$600 than for those who had more (table 5). That the relationship was not more marked is due to the fact that the amount of income necessary to provide economic security depends to some extent on customary standards of living, health expenses and other unusual demands on the family purse, and on the emotional adjustment of the aged workers to decreased income. Some beneficiaries with \$900 or more in permanent income found it as inadequate to meet

Table 5.—Total number of male primary beneficiaries and percent employed during survey year, by amount of income from permanent economic sources, four surveys

Income from permanent economic sources ¹	Philadelphia and Baltimore	St. Louis	Birmingham, Memphis, and Atlanta	Los Angeles
Total number				
Total.....	508	550	564	758
Less than \$300.....	125	140	217	214
300-599.....	190	174	193	231
600-899.....	80	95	72	125
900 or more.....	113	141	82	188
Percent employed during survey year				
Total.....	25.4	37.6	45.6	38.1
Less than \$300.....	33.6	51.4	59.9	40.2
300-599.....	33.2	40.2	41.5	48.1
600-899.....	29.0	24.2	34.7	33.6
900 or more.....	7.1	29.8	26.8	26.6

¹ Includes 12 months' old-age insurance benefits, income from assets, private annuities, retirement pay, veterans' pensions, and an imputed rent on owner-occupied dwellings.

their needs as those with considerably less, although in general the most serious financial problems were in the group with less than \$600. On the other hand, some whose income from permanent sources was low received public assistance payments or contributions from relatives which provided sufficient income to meet their basic needs, and others were ill and incapable of working and had no other choice than to adjust to a lower standard of living.

Ill health does not appear to be related to the amount of income which was derived from permanent sources, as no consistent relationship was found between amount of permanent income and inability to hold a job.

The income of relatives in the family often provided a source of economic security for beneficiaries. It might have been assumed that the beneficiaries returned to work less frequently when they lived in multi-family units than when they lived alone, because need to work was probably less acute. Nevertheless, in three of the four surveys the proportion of primary beneficiaries reporting earnings in employment was almost as large when there were others in the family as when the beneficiary group lived alone.

The following are illustrative of beneficiaries who worked because their incomes were otherwise too low to meet their expenses:

Mr. A, a stock worker in a department store, was laid off on reaching his 65th birthday. His wife was not yet 65, and Mr. and Mrs. A faced life on \$13.93 a month. They applied for old-age assistance and received \$26.07 a month. Mr. A commented that their income of \$40 a month cared for only the barest necessities. They had no savings. During the year Mr. A obtained a job as hotel clerk at \$65 a month and had his benefits and old-age assistance payments suspended. In addition he earned approximately \$10 a month in odd gardening jobs.

Mr. B had been a cotton broker but lost his job in 1938 when the cotton exchange closed. Three months later he got clerical work with the WPA. His wife took in a roomer to whom she also served breakfast and dinner. Mr. B filed for old-age insurance in February 1940, and was awarded a monthly benefit of \$20.69. Since Mrs. B was only 60 years old at the time, she was not eligible for wife's benefits. Mr. B worked as a WPA clerk for the first 5 months of the survey year. Then he was offered a job as plant superintendent of a chemical manufacturing firm at \$25 a week and accepted the job, although it meant suspension of his insurance benefits. Mr. and Mrs. B lived in an apartment for which they paid \$25 a month. Their only assets were defense bonds, with a total purchase price of \$206. Their only insurance was two group policies totaling \$500 which had no cash surrender value. In the year studied, Mr. and Mrs. B had an income of \$1,139, of which \$124 came from insurance benefits, \$192 from WPA work, \$640 from the job as plant superintendent, and \$183 from the boarder and roomer.

Beneficiaries who considered their incomes adequate generally reported they were not interested in employment. Some men, however, particularly the professional group, preferred occasional employment in their former occupation.

Mr. C retired as corporation attorney at age 66. During the year he received attorney fees amounting to \$500. The monthly benefits, totaling \$18.50, which he and his wife received were not indicative of their general standard of living. Their income from real estate and stocks and bonds amounted to \$12,300, and their total assets were valued at \$150,000.

Most (83 percent) of the 882 men in the four surveys who reported they had worked during the year also considered themselves able to work, although some (25 percent) qualified their statements. Of the men who worked, however, 1 in 16 said he was ill and should not have worked. The records of the 147 men who worked in spite of ill health show that they were suffering from heart trouble,

arthritis, strokes, "spells," low or high blood pressure, gall-bladder trouble, bronchitis, and so on. These sick men worked on as wide a variety of jobs as the entire group. They were common laborers, gardeners, janitors, porters, carpenters, machinists, tool makers, paper hangers, insurance salesmen, and the proverbial butchers, bakers, and candlestick makers. An examination of the resources of these men brings into sharp relief the economic motives which influenced their return to work. Three-fourths had less than \$600 in permanent income from economic sources. For example:

Mr. D quit work as a machinist at age 67 because of ill health. He applied for old-age assistance for himself and his wife 2 months after he became entitled to benefits, and received \$13.30 a month. However, they considered their total monthly income of \$35.52 hardly enough to live on, and Mr. D returned to his old job as a machinist. He worked 3 months, earning \$140 a month, but again became ill and again quit. At the end of the survey year he had given up all thoughts of working again.

Mr. E lost his job as collector for a furniture store at 70 when the company was sold. He was frail and said that his fingers were stiff and his legs no longer strong. He lived in a rooming house and ate around. He reported earning about \$5 a month at odd carpentry jobs. He had cashed in an insurance policy when he lost his job and used what remained of it in the survey year. Then he had to apply for old-age assistance, and in the last 5 months of the survey year he received payments of \$12.60 a month. His earnings and insurance benefits together gave him \$27.94 a month. He had no assets except an insurance policy of \$500. He said that he spent his Sundays and holidays with nieces and cousins and "filled up."

A few in this group of sick men who reported earnings appeared to have adequate resources. Their employment was generally brief. Occasionally a man was asked to help his former employer for a short time; several received commissions from the sale of life insurance; some reported income from odd jobs, such as painting, carpentry, janitor work, or cutting grass; and several reported regular part-time work for a few hours a month.

Distinct differences in age, health, and economic resources which affected employment are found between the nonmarried male primary beneficiaries, the married men whose wives were

Table 6.—Percent of male primary beneficiaries employed during survey year and percent reporting inability to work, by type of beneficiary, four surveys

Type of beneficiary	Total number	Percent employed	Percent reporting inability to work
Philadelphia and Baltimore			
Nonmarried men.....	153	28.1	52.2
Married men, wives entitled.....	163	20.9	61.2
Married men, wives not entitled.....	179	26.8	52.6
Married men, children entitled.....	13	(1)	(1)
St. Louis			
Nonmarried men.....	150	36.0	41.4
Married men, wives entitled.....	180	30.0	48.9
Married men, wives not entitled.....	197	44.7	31.5
Married men, children entitled.....	23	(1)	(1)
Birmingham, Memphis, and Atlanta			
Nonmarried men.....	113	52.2	32.7
Married men, wives entitled.....	139	31.7	46.8
Married men, wives not entitled.....	270	49.6	28.1
Married men, children entitled.....	42	47.6	35.7
Los Angeles			
Nonmarried men.....	203	32.0 ¹	47.3
Married men, wives entitled.....	216	31.5	43.0
Married men, wives not entitled.....	329	45.5	35.3
Married men, children entitled.....	16	(1)	(1)

¹ Number too small for computation of percents.

entitled, and the married men whose wives were not entitled.

In every survey the married men with nonentitled wives reported employment more frequently than the men whose wives were entitled (table 6). The relationship between the nonmarried and married men was not uniform in the four surveys.

The men with entitled wives were the oldest group. A larger proportion (36-44 percent) were 69 years of age or over at entitlement than of the married men with nonentitled wives (7-20 percent) or nonmarried men (22-37 percent). Because of the age differential, the men with entitled wives reported inability to work more frequently than the other two groups except in Los Angeles, where inability to work was reported most frequently by the nonmarried.

Moreover, because of the wife's benefits, the group of men with entitled wives had higher incomes from permanent sources and were therefore under less pressure to work than

Table 7.—Percent of specified type of male primary beneficiary¹ employed during survey year, by amount of income from permanent economic sources, four surveys combined

Income from permanent economic sources	Nonmarried men	Married men, wives entitled	Married men, wives not entitled
Total.....	35.7	28.7	43.0
Less than \$300.....	43.1	39.0	52.6
300-599.....	35.4	35.7	49.5
600-899.....	20.8	23.3	35.4
900 or more.....	12.1	21.1	26.4

¹ Excludes groups of married male primary beneficiaries with entitled children, since these groups were too small for computation of percents.

the other group of married men. Largely because of their older age and poorer health, however, the men with entitled wives worked less frequently than the men with nonentitled wives who had the same amount of income from permanent sources (table 7). Most of the nonmarried men did not work when their permanent income was \$600 or more.

An additional factor appears to have affected the employment of beneficiaries with entitled wives. Beneficiaries seldom returned to covered jobs unless they could earn three or more times the benefit they lost by working. Because of the wife's benefit, the men with entitled wives had a smaller differential between their earnings and the amount of benefit suspended than those with nonentitled wives. If the wages were less than they had formerly received, this differential was likely to become unattractively low for the men with entitled wives. This difference no doubt partially explains why the men with entitled wives tended to work in non-covered employment after entitlement, and the men with nonentitled wives, in covered employment.

Occupations of Employed Beneficiaries

Whether or not a beneficiary was employed after entitlement appears to have been affected to some extent by his former occupation. For example, of the 1,872 beneficiaries in three of the four surveys⁴ from whom information on occupations was obtained, those who had been in professional and semiprofessional pursuits were more likely to have worked in the survey year than any other occu-

pational group, and the men who had formerly been operatives (semiskilled workers) were least likely (table 8).

Among men for whom this information is available, 58 percent of those who went back to work returned to the occupations they had before entitlement. Those who shifted tended to shift to less skilled work, although movements in the opposite direction also occurred. Beneficiaries' former occupations determined to a certain extent the kind of work they could get after entitlement. Three-fourths of the professional and semiprofessional men who worked during the survey year reported the same occupations. At the opposite extreme were the protective-service workers and operatives, of whom only slightly more than one-third found jobs in the same occupational classification. The proportions of each occupational group employed in the same occupations as before entitlement were as follows:

Occupational group	Percent
Total.....	57.5
Professional and semiprofessional.....	75.9
Proprietors, managers, and officials.....	45.1
Clerical, sales, and kindred workers.....	63.8
Craftsmen, foremen, and kindred workers.....	68.6
Operatives and kindred workers.....	35.2
Protective-service workers.....	37.8
Service workers.....	53.2
Laborers.....	69.1

Of the 748 beneficiaries for whom information is available, 36 (5 percent) were employed during the year in professional occupations. These included 12 actors, 4 engineers, 3 lawyers and artists; 2 draftsmen, physicians, and teachers; and a consultant, a copywriter, a model, a druggist, an editor, a funeral director, a preacher, and a technician. Eleven of these 36

men were in other occupations before entitlement. One who had been a laborer had become a minister of a Negro church; others had taken jobs as a commercial artist, a model in an art school, a lawyer, and a copywriter.

Fifty-five men (7 percent) were classified as proprietors or managers during the year. These included 30 managers of independent businesses and 5 superintendents; also supervisors, buyers, councilmen, inspectors, junk men; an administrator of an estate, a president of a company, a labor arbitrator, and the director of a travel bureau.⁵ Two-thirds of this group (36 men) had been in other occupations before entitlement.

One hundred and sixty of the 748 men (21 percent) worked in clerical or sales occupations during the survey year. These included 106 salesmen, 31 clerks, and 11 accountants or auditors.⁶ Of the 160 men employed in clerical or sales occupations, 56 had worked in other occupations before entitlement.

One hundred and sixty-six men were employed in the survey year as craftsmen or foremen. In addition to 52 carpenters and 20 painters and paper hangers, they included 14 machinists, 9 tailors, 8 cabinet makers and furniture repair workers, 8 masons and stone cutters, 8 patternmakers, 7 foremen, and representatives of many

⁴ All persons classified as self-employed in the survey year were considered proprietors or managers if their net income from the business totaled \$600 or more. Where it was less, they were classified as salesmen.

⁵ All beneficiaries reporting income from the sale of poultry and garden products have been included here.

Table 8.—Percentage distribution of male primary beneficiaries by employment status during survey year and by last occupation¹ in covered employment before entitlement, three surveys combined²

Employment status during survey year	Total	Professional and semiprofessional	Proprietors, managers, and officials	Clerical, sales, etc.	Craftsmen, foremen, etc.	Operatives, etc.	Protective service	Service	Laborers
Total number.....	1,872	65	111	381	424	375	128	210	178
Total percent.....	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Not employed.....	59.8	47.7	62.2	57.2	55.0	66.4	64.1	61.0	61.2
Employed.....	40.2	52.3	37.8	42.8	45.0	33.6	35.9	39.0	38.8
Same occupation.....	22.9	38.5	17.1	27.3	30.8	11.7	13.3	20.4	26.4
Different occupation.....	17.0	12.3	20.7	15.5	14.2	21.6	21.8	18.1	11.8
Occupation unknown.....	.3	1.5	-----	-----	-----	.3	.8	.5	.6

⁴ St. Louis; Birmingham, Memphis, and Atlanta; and Los Angeles.

¹ Occupations are classified according to the Palmer convertibility list of occupations in Palmer, Gladys R., "The Convertibility List of Occupations and The Problems of Developing It," *Journal of the*

American Statistical Association, Vol. 34 (December 1939), pp. 693-708.

² Excludes Philadelphia and Baltimore survey.

other skilled trades. Only 1 of the 39 men who were mechanics and blacksmiths before entitlement was employed. Only one-fifth of the 166 men employed as craftsmen had worked in other occupations before entitlement. Such jobs require skill which cannot be acquired easily, although some men in other occupations before entitlement who did odd carpentry jobs or painting were classified as craftsmen in the survey year.

In addition to the 44 men who had

Table 9.—Percentage distribution of male primary beneficiaries employed in covered and noncovered employment, by amount of earnings, four surveys

Amount of earnings	Total employed	Covered employment	Noncovered employment
Philadelphia and Baltimore			
Total number employed	129	83	50
Total percent.....	100.0	100.0	100.0
Less than \$300.....	46.5	39.7	60.0
300-599.....	24.8	31.3	18.0
600-899.....	14.0	14.5	10.0
900 or more.....	14.7	14.5	12.0
Average (mean) earnings.....	\$430	\$450	\$363
St. Louis			
Total number employed	207	132	92
Total percent.....	100.0	100.0	100.0
Less than \$300.....	57.5	50.8	74.0
300-599.....	15.9	15.9	14.1
600-899.....	9.2	10.6	6.5
900 or more.....	17.4	22.7	5.4
Average (mean) earnings.....	\$476	\$556	\$378
Birmingham, Memphis, and Atlanta			
Total number employed	257	110	178
Total percent.....	100.0	100.0	100.0
Less than \$300.....	63.1	54.6	74.1
300-599.....	8.9	14.5	5.1
600-899.....	10.5	14.5	7.9
900 or more.....	17.5	16.4	12.9
Average (mean) earnings.....	\$528	\$486	\$483
Los Angeles			
Total number employed	289	172	150
Total percent.....	100.0	100.0	100.0
Less than \$300.....	49.5	42.4	67.3
300-599.....	17.3	22.1	10.7
600-899.....	13.8	12.8	11.3
900 or more.....	19.4	22.7	10.7
Average (mean) earnings.....	\$539	\$580	\$378

¹ Total, representing an unduplicated count of beneficiaries, is less than sum of beneficiaries in covered and noncovered employment, since some beneficiaries reported earnings in both covered and noncovered employment.

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worked as operatives before entitlement, 8 formerly engaged in other work were employed in the survey year in this occupational group. The 52 men in this group—only 7 percent of all employed men—included 17 machine operators, 6 meat cutters, and 6 drivers. Not a single one of the 63 men in Birmingham who had been miners before entitlement was employed as a miner in the year, and only 17 of the 105 machine operators before entitlement were employed as machine operators. Only 15 percent of the men employed as operatives during the survey year had shifted from other occupations. Men who shifted from other occupations included several who refinished furniture or drove trucks.

Exactly half of the 34 men employed in protective-service jobs had shifted from other occupations. The jobs included 32 watchmen, a guard, and a policeman. A job as night watchman, which requires a certain amount of mental alertness and physical fitness, can be held by persons who have retired from their regular occupation.

Of the 74 men in the three surveys who were employed in the survey year in service jobs, 43 had worked in similar jobs before entitlement. The 74 men included 31 janitors, 9 porters, 8 dishwashers, 7 barbers, and 5 cooks; cleaners, elevator operators, waiters, and doormen; and an employee in a funeral home.

In the year studied, 160 men in three surveys, 21 percent of all employed men, worked as laborers. Of these, 103 were engaged in odd jobs, such as gardening, lawn mowing, and casual labor. Most of the jobs were not covered by the Social Security Act, although a few men were regularly engaged in covered employment as laborers. Sixty-one percent of the men employed as laborers in the survey year had shifted from other occupations. Most of the men in casual work and odd jobs had been craftsmen, operatives, and service workers, although every former occupation is represented.

Earnings in Employment

As many as three-fifths of the primary beneficiaries who were employed during the survey year earned less than \$300 for the entire year (table 9). Only about a third in each survey earned \$600 or more, and not

Table 10.—Percentage distribution of specified type of male primary beneficiary¹ employed during survey year, by amount of earnings, four surveys

Amount of earnings	Nonmarried men	Married men, wives entitled	Married men, wives not entitled
Philadelphia and Baltimore			
Total number...	43	34	48
Total percent...	100.0	100.0	100.0
Less than \$300.....	46.6	52.9	43.9
300-599.....	30.2	26.5	18.7
600-899.....	11.6	8.8	18.7
900 or more.....	11.6	11.8	18.7
St. Louis			
Total number...	54	54	88
Total percent...	100.0	100.0	100.0
Less than \$300.....	61.1	64.8	48.8
300-599.....	16.7	7.4	20.5
600-899.....	7.4	9.3	10.2
900 or more.....	14.8	18.5	20.5
Birmingham, Memphis, and Atlanta			
Total number...	59	44	134
Total percent...	100.0	100.0	100.0
Less than \$300.....	77.9	54.6	50.7
300-599.....	6.8	13.6	9.7
600-899.....	5.1	9.1	14.9
900 or more.....	10.2	22.7	18.7
Los Angeles			
Total number...	65	68	147
Total percent...	100.0	100.0	100.0
Less than \$300.....	63.1	64.7	38.1
300-599.....	16.9	14.7	18.4
600-899.....	7.7	5.9	19.0
900 or more.....	12.3	14.7	24.5

¹ Excludes groups of married male primary beneficiaries with entitled children, since these groups were too small for computation of percents.

more than a fifth reported \$900 or more. The men with nonentitled wives, the youngest group of beneficiaries, earned higher wages, as a group, than the others (table 10).

Earnings in noncovered employment were generally less than earnings in covered employment, largely because odd jobs and casual labor are noncovered employment, and such work is usually intermittent and low paid. Covered employment was more likely to be of longer duration and at higher rates of pay except for a few men in each survey who were self-employed or in professional work, classified as noncovered, and who had relatively high earnings.

Although beneficiaries returned to work more frequently when their income from permanent economic sources was low than when it was high, annual earnings tended to be

Table 11.—Percentage distribution of male primary beneficiaries employed during survey year, by effect of employment on benefits, for each survey

Benefit suspensions	Philadelphia and Baltimore	St. Louis	Birmingham, Memphis, and Atlanta	Los Angeles
Total number employed.....	120	207	257	289
Total percent.....	100.0	100.0	100.0	100.0
No suspensions.....	45.0	54.6	73.5	53.0
Earnings of less than \$15 a month in covered employment.....	9.3	18.4	16.3	12.5
Noncovered employment.....	35.7	36.2	57.2	40.5
Suspensions.....	55.0	45.4	26.5	47.0
1-3 months.....	14.6	13.6	3.5	12.8
4-6 months.....	9.3	10.1	3.9	9.3
7-9 months.....	13.2	5.3	3.1	6.9
10-12 months.....	4.7	12.1	9.0	12.1
Other ¹	13.2	4.3	7.0	5.9

¹ Includes those with noncovered employment only.

² Erroneous suspensions or no suspensions, although wages of \$15 or more a month in covered employment were reported.

low when permanent income was low, and relatively high when permanent income was high. Most of the income from permanent sources was derived from insurance benefits, retirement pay, and investments, all of which reflect the previous level of earnings. Those with low income from permanent sources, therefore, probably had low earnings before entitlement as well as low earnings after entitlement.

From 45 to 55 percent of the employed beneficiaries in three of the surveys, and 26 percent in the Southern cities, had their benefits suspended a month or more in the year because of earnings in covered employment (table 11). Most of the employed beneficiaries whose benefits were not suspended were in noncovered employment, but some in each survey (9 to 18 percent) worked in covered employment for a month or more at wages of less than \$15 a month and had no suspensions.

In three of the four surveys, about one-fourth of the employed primary beneficiaries reported from 1 to 6 months of benefit suspensions. In the three Southern cities, the percentage was considerably lower (7 percent) because of the high proportion in noncovered employment. From 5 to 12 percent of the employed men had as many as 10 to 12 months' suspensions.

The men with entitled wives had fewer benefit suspensions than the other two groups because they more

frequently were in noncovered employment (table 12). The nonmarried men were somewhat more likely to report earnings of less than \$15 a month in covered employment.

In general, the total wages earned during the year were about five times as much as the benefits suspended. There was considerable range in earnings, however, and 5 percent of those whose benefits were suspended earned less than twice the benefits suspended, while 3 of the 373 men with suspensions earned no more than the benefits they lost.

Why Some Beneficiaries Not Reporting Ill Health Did Not Look for Work

In each survey, from 5 to 11 percent of all beneficiaries were unemployed the entire survey year and said without qualification that they were able to work but had made no effort to get a job. Altogether, there were 216 men in this category. These men formed from 15 to 32 percent of the beneficiaries who reported unqualified ability to work; of the remainder, 44 to 72 percent had worked at some time during the year, and 13 to 24 percent had tried vainly to find jobs.

The reasons why these men made no effort to find work when they believed themselves able to hold jobs further delineate the conditions under which beneficiaries will return to work. Most of the 216 beneficiaries had sufficient income to meet their essential needs without working. About two-thirds of them had income of at least \$600 from permanent sources. This proportion was almost twice as large as that for all beneficiary groups. These men apparently prized leisure above additional income.

An examination of the situations of the 72 men whose incomes from permanent economic sources were less than \$600 indicates that most of them had some additional source of economic security. Forty lived with relatives whose incomes raised their level of living; 14 others had had some income from other than permanent sources, such as unemployment compensation payments, contributions from relatives outside the home, or public or private relief payments, or they drew upon their savings so that the total amount available to meet their living expenses actually exceeded \$600 in the year studied. Thus of the

Table 12.—Percentage distribution of specified type of male primary beneficiary¹ employed during survey year, by effect of employment on benefits, four surveys combined

Benefit suspensions	Non-married men	Married men, wives entitled	Married men, wives not entitled
Total number employed.....	221	200	417
Total percent.....	100.0	100.0	100.0
No suspensions.....	56.6	64.0	55.4
Earnings of less than \$15 a month in covered employment.....	19.5	16.5	11.5
Noncovered employment.....	37.1	47.5	43.9
Suspensions.....	43.4	36.0	44.6

¹ Excludes groups of married male primary beneficiaries with entitled children, since these groups were too small for computation of percents.

² See table 11, footnote 1.

216 men, only 18, or 8 percent, actually lived on less than \$600.

One single man who lived in a one-room apartment had \$6,000 in savings, which, though he did not draw on it, gave him confidence in his future. The presence of married children who lived nearby and who could be counted on to help in an emergency appears to explain the willingness of several beneficiaries to live on very small amounts. For example, one aged couple, whose total income was \$467, lived upstairs in a house, the lower floor of which was occupied by a married son and his family. The two families shared the household expenses. In another instance, a 70-year-old widower had rooms in his son's flower shop. He was in good health and was enjoying his leisure, although he said he could never get along on his benefits (\$18.17 per month) except for the help he received from his son. Four single men and four couples in Los Angeles received old-age assistance payments, obtaining from the relief payments not only income but a sense of financial security.

The feeling of economic security alone does not explain the lack of effort on the part of a few men to get work. Other attitudes must be considered. A feeling of hopelessness on the part of several probably accounted for their failure to look for work. While some beneficiaries considered themselves able to work, general mental as well as physical deterioration undoubtedly prevented them from looking for work although their incomes were very low.

Public Assistance

"Suitable Home" Provisions of State Plans for Aid to Dependent Children*

The aid to dependent children title of the Social Security Act includes no reference to the condition of the needy child's home. Either law or policy in many States, however, refers to the suitability of the home or the fitness of the parent, and some States deny aid to otherwise eligible children because the home of the parent or other relative is considered "unsuitable" for the child.

The Bureau of Public Assistance has emphasized the desirability of considering a home suitable if its inadequacies can be lessened by additional income, and State agencies generally have agreed. Observation of agency practice and of specific problems presented by State agencies has revealed, however, variations and confusion in interpreting the "suitable home" provision and has brought into clearer focus the difficulties inherent in conditioning the child's eligibility on the parent's behavior.

Ideas of the purpose of the provision and its uses vary from State to State and often from county to county within a State. Some agencies seem to regard it as an appropriate means of limiting assistance under the program to children whose parents meet specific requirements as to the kind of home they provide. Parents not meeting the requirements may receive aid from some other source, such as general assistance, which is usually less nearly adequate than aid to dependent children; in many instances no assistance of any kind is available.

Confusion regarding the purpose of the provision is apparent in another group of agencies. Some of these, while less certain that the provision is a proper basis for restricting the coverage of aid to dependent children, recognize an obligation to differentiate between suitable and unsuitable homes. Because they have had diffi-

culty in formulating criteria which set up reasonable limits, they have relied on local staff to determine suitability, and each staff member has applied the provision in whatever way seemed indicated in the individual case. Other agencies in this group consider that the provision has potentialities for protecting the child's welfare but have not known how to achieve this objective.

A third group of agencies recognizes in the provision a clear responsibility for protecting the child's welfare. When the child is otherwise eligible, the agency grants assistance and fulfills the protective intent of the "suitable home" provision by helping the parents avail themselves of all agency and community resources for the benefit of the child. When serious abuse or neglect of the child makes such action necessary, the agency brings the protective authority of the community into action.

Difficulties in the "Suitable Home" Provision as an Eligibility Requirement

For the community.—In some States the "suitable home" provision in law or policy for aid to dependent children may be in part an expression of the community's concern for the welfare of the children in a sector of the population in which families suffer more than average hazard. When used as an eligibility requirement, however, this provision simply precludes some children from receiving aid under the program. To expect that it will protect children indicates a confusion between what public assistance can do to help parents protect their children and what action can be taken by agencies with the legal authority to protect children, when necessary, from their parents.

The agency administering a category of assistance is responsible for determining whether the applicant for assistance within the category meets the requirements. If living in a suitable home is one of the eligibility requirements in a State and the child's home is determined to be unsuitable according to agency definition, the agency is expected to deny assistance. The child may be undernourished, poorly housed, inadequately clothed; he may be running the streets, annoying the neighbors, playing truant from

school; he may be subject to dangerous parental influences. The parent may be unable or unwilling to improve the situation for the child and to assure a change of his own or the child's behavior or an improvement in the home. Since the agency must then withhold from the parent a necessary means of helping him carry the responsibility for maintaining his child, an anomaly arises in that the community expects the parent to carry major responsibility for his child's support and care and at the same time deprives him of one means of so doing.

Each community, whether functioning on the basis of custom or law, allows a wide range of parental behavior in relation to children without raising question about the custody of the child. It is generally accepted that the parent is responsible for his child and should be accorded the right to carry that responsibility without community interference, and that a parent's affection is more important to the child than the parent's particular way of living. Most communities do have, however, general standards clearly enough understood so that serious violations can be recognized. Action against a violation of these minimum standards, while properly initiated by any individual or by a representative of any agency with this responsibility, must be carried through by the authority (ordinarily the court) that is legally responsible for protecting all children in the community. Many communities have superimposed responsibility for protecting a child from neglect or abuse by his parents upon the responsibility to grant assistance to a parent for his needy child; the effect on both services has been damaging.

Many communities have been lax in providing protective services for all children and have expected the public assistance program to fill the gaps. The community's interest in assuring suitable homes for children should be general, rather than limited to homes in which assistance is needed. The agency administering assistance may well initiate community consideration of a general protective program through cooperation with schools, public health departments, the courts, and all agencies interested in protecting the welfare of children. To the extent that the problem of suitability of home is approached from this point of view, the

*Summarized from State Letter No. 46, sent by the Bureau of Public Assistance to State agencies.

assistance agency will be relieved of much of the pressure now often exerted on it to enforce provisions of law or standards of conduct which should be the responsibility of other agencies and which should be applied to citizens generally and not alone to recipients of aid.

For the agency.—The agency administering any social legislation is responsible for carrying out the legislative purpose and, in so doing, formulating policy that can operate in sound agency practice for the best interests of the persons the agency serves. In aid to dependent children, the agency has the specific responsibility of exploring the intent of the eligibility provisions of the law and, on the basis of the intent, so defining the requirements that an agency worker can explain them to the applicant, and worker and applicant together can establish the facts on the basis of which eligibility is determined.

Agency experience indicates that any definition of suitable home is difficult to formulate, as well as difficult for workers to use with clients. Some agencies have attempted to cover such aspects as mental, moral, or physical fitness and have then found it difficult to set up criteria for determining such fitness. Others have thought of neglect or abuse of children as constituting unsuitability and have been unable to arrive at equitable decisions in relation to such conditions. Many agencies, realizing that most persons who apply for aid to dependent children have a suitable home and are fit persons to fulfill parental responsibilities, relegate the provision to the position of an emergency measure to be used only in extreme situations. They thus use it as an eligibility requirement without giving it full recognition as such and without providing a structure within which all workers in the State can inform all their clients of the various factors that affect eligibility.

For the agency worker and the client.—To truly represent the agency, the staff worker, who carries out the purpose of the program with the client, must be given the proper tools, including usable criteria with which staff members and applicants can work in establishing the facts on which the decision to grant or deny assistance will be based. When living in a suitable home is an eligi-

bility requirement, both applicant and worker must know the agency's criteria for a suitable home. This is necessary so that worker and applicant can share in the process of determining initial and continuing eligibility, and so that the worker can help the applicant understand why he meets or does not meet the requirements and what he can do to meet them, can assure him of his right of appeal, explain why he possibly is not eligible for aid to dependent children but may receive general assistance or some other community resource, and make clear generally why one needy family receives aid to dependent children and another receives general assistance or is referred elsewhere for help.

Even with the agency's criteria for a suitable home, the worker has a difficult task. He must determine with the applicant whether the home is suitable (within the agency's definition) and grant assistance if it is or deny it if it is not. In discharging that responsibility, many workers are likely either to resist the necessity of denying aid on the basis of the kind of home the parent maintains for the children when such denial precludes the possibility of helping the parent improve the situation, or to follow the human tendency to try to coerce the parent into compliance, even though the agency has no authority with which to carry out such coercion.

Recommendations

To assure both the effective discharge of the assistance responsibility and the proper development of the assistance program, and to safeguard the rights and responsibilities of parents and children throughout the community, the distinction between the assistance and protective services must be recognized. The primary purpose of aid to dependent children is to make available to parents economic resources which will enable them to bring up their children in their own homes. If it appears in some cases that the children's welfare is not being advanced by such a program because parents are not assuming their proper responsibilities, the community may wish to provide additional services. To impose on parents requirements as to assumption of parental responsibility is not properly within the as-

sistance function, however, and should be entrusted to other agencies. Where the assistance agency is called on to carry an authoritative protective role, this function should be clearly distinguished from the assistance function, and the agency should strive to promote community recognition of the need for other services to protect all children from possible unsatisfactory conditions in their own homes.

The Board is interested in the development and maintenance of an effective protective program with funds and personnel for the kind of administration that will assure the protection of all children. With such a program, the "suitable home" provision would not be necessary in public assistance legislation. Eligibility for aid to dependent children would be determined on the basis of other requirements, and neglect or abuse of a child would be handled by the proper protective authority. It is, therefore, recommended that the provision be omitted from the public assistance laws and that the protective purpose of the provision be incorporated in the protective legislation.

Pending a change in the law, the State agency—with necessary approval within the State—might reconsider its interpretation of the "suitable home" provision. As long as it is regarded as an eligibility requirement, the agency is responsible for defining and administering it. If, however, the agency is free to detach the provision from the eligibility requirements and use it for a specific protective purpose, both the assistance and protective purposes will be better served.

The State agency may find that the "suitable home" provision is not an eligibility requirement in the usual sense, but that because of its presence in the law the administering agency must report to the proper protective agency any situation in which a child is found neglected or abused. The agency would then look to that protective authority for criteria on which to base a decision to report cases; it would, of course, first discuss with the parent any situation which it is planning to report. Eligibility for assistance would be established on the basis of provisions appropriate for aid to dependent children, such as need and age, although parents would be told

of the "suitable home" clause and of the responsibility thus placed on the agency to report cases of neglect or abuse. With this kind of separation, the client's right to assistance and the community's right to protective services for its children are recognized for their separate values and accorded their proper separate identities. The parent's right to receive assistance on behalf of the child is maintained until the community removes the child from the home. The worker can maintain a proper responsibility in relation to providing money to meet need and also in relation to the community's protective service in enforcing social standards to safeguard the child, even in situations in which one worker must carry both roles.

If the "suitable home" provision is not included in the law but has been incorporated in policy as an eligibility requirement, it is suggested that the agency reexamine the purpose intended. If protection of children was

the objective, the agency might delete the provision and emphasize to the staff their responsibility for making available the service of the agency to the parent and child and for carrying out the agency's function in relation to the protective service in the community.

Where practicable, a community might better fulfill the purposes of both its assistance and protective programs by placing them in two separate agencies or in two departments of one agency. Combination of the assistance and the authoritative protective functions is difficult for one staff to handle. The assistance service places on the agency the responsibility of working with the applicant who voluntarily comes to seek financial assistance, of helping him to establish his eligibility and avail himself of other resources. The protective services require that the agency exercise authority—for example, that it initiate action in a situation which is considered "bad" in the community. Each

service requires its own technical knowledge and its own skill, and staff can be much more effective if they can focus on one kind of responsibility and thus one combination of experience and skill. The client can be much clearer as to his relationship to the worker, and the client and the community are more adequately served.

Aid to Dependent Children in 1944

Case load dropped to 1938 level.—The number of families receiving aid to dependent children declined steadily during the first 10 months of the year. By October the rolls had shrunk to only about three-fifths of the peak early in 1942. The number was smaller than in any month since April 1938, although at that time only 38 states, the District of Columbia, and Hawaii administered programs with Federal participation, while in

Table 1.—Public assistance in the United States, by month, February 1944–February 1945¹

Year and month	Total	Old-age assistance	Aid to dependent children		Aid to the blind	General assistance	Total	Old-age assistance	Aid to dependent children		Aid to the blind	General assistance
			Families	Children					Families	Children		
Number of recipients												
1944												
February.....		2,122,972	267,747	667,527	73,399	284,000	-----	-0.6	-0.7	-0.7	-0.3	-1.6
March.....		2,113,487	265,926	663,606	73,278	281,000	-----	-4	-7	-6	-2	-1.0
April.....		2,104,471	264,074	659,776	73,101	273,000	-----	-4	-7	-6	-2	-2.7
May.....		2,095,855	262,582	656,315	72,877	266,000	-----	-4	-6	-5	-3	-2.8
June.....		2,086,943	260,224	651,432	72,817	258,000	-----	-4	-9	-7	-1	-2.9
July.....		2,080,883	255,945	641,350	72,768	255,000	-----	-3	-16	-15	-1	-1.3
August.....		2,075,371	253,238	636,651	72,640	254,000	-----	-3	-11	-7	-2	-4
September.....		2,070,432	252,363	635,174	72,553	254,000	-----	-2	-3	-2	-1	+1
October.....		2,069,203	251,469	633,405	72,465	254,000	-----	-1	-4	-3	-1	(?)
November.....		2,067,448	251,653	633,778	72,377	255,000	-----	-1	+1	+1	-1	+3
December.....		2,065,891	253,681	636,882	72,301	258,000	-----	-1	+8	+8	-1	+1.4
1945												
January.....		2,059,200	254,728	642,116	72,145	260,000	-----	-3	+4	+5	-2	+6
February.....		2,052,886	255,287	643,797	71,893	253,000	-----	-3	+2	+3	-3	-5
Amount of assistance												
1944												
February.....	\$78,571,286	\$57,311,454	\$11,322,694	\$2,067,138	\$7,870,000	+0.1	(?)	+0.6	+0.3	+0.1	-0.1	
March.....	78,629,166	57,307,061	11,334,492	2,069,613	7,918,000	+1	(?)	+1	+1	+1	+6	
April.....	79,591,211	57,500,605	11,822,466	2,090,140	8,188,000	-4	+0.2	(?)	+3	+3	-5.2	
May.....	78,163,977	57,474,170	11,257,101	2,086,706	7,346,000	-2	+1	-6	+5	-2	-2.1	
June.....	77,997,234	57,493,529	11,223,235	2,091,470	7,189,000	-2	(?)	-3	+2	+2	-2.1	
July.....	77,853,223	57,651,634	11,136,863	2,101,726	6,963,000	-2	+3	-8	+6	+6	-3.1	
August.....	78,040,093	57,852,949	10,978,659	2,107,485	7,101,000	+2	+3	-1.4	+3	+3	+2.0	
September.....	78,074,438	57,895,855	11,067,866	2,108,717	7,002,000	(?)	+1	+8	+1	+1	-1.4	
October.....	78,736,323	58,188,918	11,198,912	2,112,493	7,236,000	+8	+5	+1.2	+2	+2	+3.3	
November.....	79,211,700	58,502,094	11,306,971	2,117,635	7,285,000	+6	+5	+1.0	+2	+2	+7.7	
December.....	79,830,755	58,721,758	11,560,642	2,119,355	7,429,000	+8	+4	+2.2	+1	+1	+2.0	
1945												
January.....	79,978,647	58,736,811	11,635,258	2,120,578	7,486,000	+2	(?)	+6	+1	+1	+8	
February.....	79,806,462	58,693,475	11,741,802	2,122,185	7,249,000	-2	-1	+9	+1	+1	-3.2	

¹ For monthly data prior to 1944 for continental United States, see the *Bulletin*, February 1944, p. 27. Beginning with March 1945 *Bulletin*, data cover 51 jurisdictions. Excludes programs administered without Federal participation in States administering such programs concurrently with programs under the Social Security Act.

² Increase of less than 0.05 percent.

³ Decrease of less than 0.05 percent.

⁴ Amount includes estimated increase in payments due to change in payment dates for old-age assistance and aid to the blind in Baltimore, Md.; for aid to dependent children and general assistance in Baltimore, Md. and New York City.

1944 all jurisdictions except Nevada and Alaska received Federal funds. In each of 17 States, less than half as many families received this type of aid at the end of 1944 as in the peak month of the State-Federal program.¹

By 1944 many families who had benefited from aid to dependent children, or who might have done so, had become self-supporting through the employment of the children, their mothers, or partially incapacitated fathers. Many young people who previously received assistance were serving in the armed forces and contributing to Government allowances for their families. Other families received insurance or other death benefits in behalf of relatives who lost their lives in the war. A growing number of half-orphan children under age 16, or under 18 and in school, qualified for survivors' benefits under old-age and survivors insurance. A further explanation of the decline offered by one State agency was that with smaller case loads staff members could give more attention to rehabili-

tation and thus enable still other families to leave the rolls.

Reductions less than in other war years.—Although the downward trend in case load in most States continued, this trend lost momentum in 1944. Only about one-seventh of the total wartime reduction occurred during the year. The 12-month reduction in rolls was still large in some States—more than one-fifth in Idaho, Indiana, Kansas, Nebraska, and Wyoming and at least one-tenth in 14 other States.² Only Illinois, however, had as large a decrease as in the previous year. Changes from month to month in State case loads were upward in an increasing number of States from September to December.

Assistance was discontinued during the year for only 28 percent of all the families on the rolls at some time in 1944, as compared with 33 percent in 1942 and 36 percent in 1943. Not quite as many families applied for aid to dependent children in 1944; there were 3 percent fewer in the country as a whole than in 1943.

Case loads increased in 13 States.—More applications were received during 1944 in 23 States. The number of families aided increased in 13 States as compared with only 2 States in 1943. Several industrial States, including Connecticut, Delaware, New York, Rhode Island, and Washington, where large reductions in rolls had taken place earlier, had net increases during 1944, although usually of only 1 to 2 percent. Some of the families which became self-supporting earlier during the war found it necessary to reapply for assistance in 1944. More than one-fifth of the families added to the rolls in 13 of 26 States for which this information is available had previously received aid to dependent children. Moreover, most of these States permit local agencies to suspend assistance for a few months without closing cases, when new income may be temporary. In Pennsylvania, where cases are closed whenever income is available, more than half of the cases added in 1944 had previously been on the rolls.

More nearly adequate funds for assistance resulted in larger net increases in case loads in a number of other States—9 percent in Alabama and Mississippi, 37 percent in Iowa,

¹ California, Delaware, District of Columbia, Idaho, Indiana, Hawaii, Kansas, Maryland, Montana, Nebraska, New Jersey, Pennsylvania, Texas, Utah, Washington, Wisconsin, Wyoming.

² District of Columbia, Hawaii, Illinois, Louisiana, Maine, Maryland, Minnesota, Montana, New Jersey, North Carolina, North Dakota, Ohio, Pennsylvania, Wisconsin.

Table 2.—Old-age assistance: Recipients and payments to recipients, by State, February 1945¹

State	Number of recipients	Payments to recipients		Percentage change from—				State	Number of recipients	Payments to recipients		Percentage change from—			
		Total amount	Average	January 1945 in—		February 1944 in—				Total amount	Average	January 1945 in—		February 1944 in—	
				Number	Amount	Number	Amount					Number	Amount	Number	Amount
Total ²	2,052,886	\$58,093,475	\$28.59	-0.3	-0.1	-3.3	+2.4	Mo.	101,397	\$2,331,506	\$22.99	(³)	+0.3	-3.3	+4.0
Ala.	31,152	492,056	15.80	+6	-3	+14.4	+9.8	Mont.	10,879	329,994	30.33	+0.2	+6	-5.0	+2.2
Alaska.	1,316	43,008	33.36	-8	-1	-5.9	-1	Nebr.	24,528	694,065	28.30	-2	+5	-5.3	+4.4
Ariz.	9,496	365,580	38.50	-3	-3	-1.0	-4	Nev.	1,945	74,577	38.34	-3	-3	-3.5	-2.2
Ark.	28,403	513,710	18.09	-1	+2	+7.3	+19.6	N. H.	6,574	191,505	29.13	-4	+7	-2.0	+4.5
Calif.	157,564	7,454,669	47.31	-2	-2	-2	+2	N. J.	24,166	749,375	31.01	-9	-2	-7.1	+3.9
Colo.	40,881	1,689,238	41.32	-2	-1	-1.2	-8	N. Mex.	5,633	181,533	32.23	+5	+4	+8.5	+7.6
Conn.	13,591	495,526	35.42	-4	(³)	-3.0	+3.2	N. Y.	105,143	3,679,778	35.00	-4	-1.4	-4.9	+6
Del.	1,395	21,054	15.09	-9	-3	-14.5	-7.2	N. C.	32,747	393,675	12.02	-5	+2	-4.7	+5.0
D. C.	2,512	77,120	30.70	-3	+1.3	-12.7	-5.5	N. Dak.	8,728	288,155	33.02	-5	+1.0	-2.4	+22.6
Fla.	40,036	1,147,001	28.65	+4	+6	+2.6	+64.4	Ohio	120,498	3,555,159	29.50	-6	-4	-5.7	-1.0
Ga.	66,964	754,315	11.26	-5	-1	-4.8	+5	Okla.	77,237	2,231,639	28.89	(³)	+3	+3	+12.2
Hawaii.	1,426	31,828	22.32	-1.2	-1.0	-4.6	+9.6	Oreg.	19,784	686,308	34.69	-2	(³)	+2.2	+15.7
Idaho.	9,697	293,537	30.27	-5	-4	+4	+1.8	Pa.	83,426	2,430,008	29.13	-4	+4	-3.9	-1.3
Ill.	123,105	3,833,778	31.14	-3	+1	-11.8	-6.8	R. I.	7,221	239,590	33.18	-5	+4	-9	+7.7
Ind.	55,784	1,426,664	25.12	-6	-1	-6.6	-8	S. C.	21,280	297,607	13.99	-4	-2	+1.8	+6.0
Iowa.	49,954	1,542,103	30.87	-5	+2	-4.5	+8.3	S. Dak.	12,824	309,434	24.13	-3	-1	-4.5	+5.0
Kans.	28,266	817,785	28.93	-2	(³)	-2.7	+2.0	Tenn.	38,074	633,676	16.64	-2	-1	-1.0	+1.3
Ky.	50,681	574,347	11.33	-1.3	-1.2	-7.2	-1.2	Tex.	169,016	3,691,575	21.84	-2	+1	-4.4	-1.4
La.	36,283	819,846	22.60	-4	+3	-1.7	+4.3	Utah.	13,049	483,422	37.05	-4	-3	-3.8	-2.7
Maine.	14,913	431,439	28.93	-2	+3	-2.5	+11.2	Vt.	5,224	113,215	21.67	-2	+1.1	-2.0	+6.6
Md.	11,762	319,493	27.16	-5	+1	-8.2	+4.0	Va.	15,336	205,578	13.40	-8	+3	-7.6	+3.6
Mass.	75,159	3,108,544	41.36	-4	-2	-2.7	+1.3	Wash.	59,993	2,272,802	37.88	+1	+1	-1.0	(³)
Mich.	84,778	2,553,361	30.12	-3	+1	-2.2	+2.8	W. Va.	18,568	336,546	18.13	+2	+1	+1	+4.5
Minn.	85,754	1,643,843	20.45	-4	(³)	-4.5	+1.0	Wis.	45,856	1,310,068	28.57	-4	+1	-5.5	+3
Miss.	28,110	421,348	14.99	-7	(³)	+11.0	+71.3	Wyo.	3,378	110,562	32.73	-2	(³)	+6	+1.4

¹ For definitions of terms, see the *Bulletin*, September 1941, pp. 50-51. All data subject to revision.

² All 51 States have plans approved by Social Security Board.

³ Increase of less than 0.05 percent.

⁴ Decrease of less than 0.05 percent.

and more than 50 percent in Florida and Kentucky. Iowa's State-Federal program of aid to dependent children was started at the beginning of 1944

with somewhat broader eligibility provisions than the mothers'-aid program which it replaced. Kentucky's State-wide program was initiated in

January 1943 and continued to increase during most months of 1944. Alabama's program dates back to 1936, Florida's to 1938, and Mississippi's to

Table 3.—General assistance: Cases and payments to cases, by State, February 1945¹

State	Number of cases	Payments to cases		Percentage change from—			
		Total amount	Average	January 1945 in—		February 1944 in—	
				Number	Amount	Number	Amount
Total ²	258,000	\$7,249,000	\$28.04	-0.5	-3.2	-8.9	-7.9
Ala.	3,085	44,130	14.30	+9	+2	+20.5	+30.8
Alaska	118	3,520	29.83	-8.5	-19.2	-4.1	-6
Ariz.	2,129	64,880	30.47	-4	+1.3	-1.7	+8.8
Ark.	2,756	31,934	11.59	-4	-9	-7.4	+9
Calif.	11,561	417,565	36.12	-6	-6	-2.0	+12.0
Colo.	4,552	142,095	30.54	+1.2	-1	-3.4	+4.4
Conn.	4,589	185,904	33.18	-1.4	-6.9	-7.6	-2.3
Del.	341	8,632	25.31	-9	+1.4	+9	+10.2
D. C.	751	26,552	35.36	-6.4	-5.7	-12.7	+7.8
Fla.	6,500	42,000					
Ga.	2,701	33,254	12.31	-1.0	-2.8	-6.7	+0.7
Hawaii	539	16,602	30.80	-1.5	-7	-9.3	+8.4
Idaho	523	13,089	21.01	-5	+1.7	-1.7	+2.2
Ill.	24,643	795,232	32.27	-1.3	-4.9	-2.1	+17.1
Ind.	5,958	134,877	22.64	-2.7	-5.1	-16.0	(³)
Iowa	4,238	85,524	20.18	-3.1	-4.2	-21.5	-15.6
Kans.	3,383	95,515	28.23	-3.1	-1.2	-16.0	-8.7
Ky.	1,600	23,000					
La.	6,002	121,558	17.61	+2.7	+2.8	+15.2	-4.5
Maine	2,036	64,967	31.91	-1.9	-7.2	-15.3	-8.1
Md.	4,704	159,267	33.86	+2.4	+2.4	+8.8	+24.9
Mass.	12,616	400,048	31.71	-6	-5.1	-13.5	-7.0
Mich.	10,474	330,411	31.55	-5	-6.8	-7.0	+2.5
Minn.	5,696	157,346	27.62	-2.0	-4.7	-17.3	-13.4
Miss.	312	2,589	8.30	+3.3	+15.1	-26.1	+2.4
Mo.	8,184	179,513	21.93	+3.7	-12.6	+20.1	-8.1
Mont.	1,196	29,411	24.59	-3.7	-4.2	-8.1	+3.2
Nebr.	1,656	32,941	19.89	+4.2	-2.0	-19.1	-8.0
Nev.	221	4,016	18.17	-7.5	-7.4	-5.6	-7.0
N. H.	1,279	35,299	27.60	-1.9	-7.0	-21.0	-10.0
N. J.	4,922	158,243	32.15	+3	-2.8	-21.9	-17.8
N. Mex.	1,112	23,565	21.19	+2.7	+3.6	+20.3	+81.1
N. Y.	38,112	1,743,971	45.76	-1.5	-1.8	-23.8	-21.0
N. C.	2,505	25,534	10.19	-2.1	-3.2	-12.6	+1.0
N. Dak.	692	16,876	24.39	+1.2	-5	-19.3	-4.6
Ohio	11,666	330,898	28.36	-6	-2.4	-9.2	-4
Ore.	4,948	40,323	(⁴)	(⁴)	(⁴)	(⁴)	(⁴)
Oreg.	3,612	142,337	39.41	+2.1	+4.5	+25.4	+14.0
Pa.	20,466	462,199	22.39	-7	-7.7	-17.0	-12.9
R. I.	1,865	60,957	32.68	-6	-10.8	+2.7	-8.1
S. C.	2,628	28,226	10.74	-4	-1.0	+4.5	+5.7
S. Dak.	975	22,428	23.00	+11.9	+12.7	-5.6	+6.5
Tenn.	1,300	11,000					
Tex.	3,100	46,000					
Utah	1,437	57,396	39.94	-1.6	-1.3	-8.4	-6.2
Vt.	865	19,033	22.00	-8.3	-15.3	-16.8	-14.0
Va.	3,150	47,848	15.19	-6	-1.1	-12.4	-1.5
Wash.	15,415	295,387	19.16	+1.6	+2.4	+146.8	+30.9
W. Va.	5,092	83,701	16.44	+3.2	-5.1	+21.6	+15.5
Wis.	5,003	125,766	25.14	-8	-5.0	-20.9	-10.1
Wyo.	377	10,996	29.17	+2.7	+3.4	-11.9	-1.2

¹ For definitions of terms, see the *Bulletin*, September 1941, pp. 50-51. All data subject to revision.

² Partly estimated; does not represent sum of State figures, because total excludes estimated number of cases and payments for medical care, hospitalization and burial only in Indiana and New Jersey, and estimated duplication of cases in Oklahoma.

³ State program only; excludes program administered by local officials.

⁴ Based on actual reports including an estimated 94 percent of cases and 95 percent of payments.

⁵ Estimated.

⁶ Excludes assistance in kind and cases receiving assistance in kind only and, for a few counties, cash payments and cases receiving cash payments. Amount of payments shown represents approximately 60 percent of total.

⁷ Includes unknown number of cases receiving medical care, hospitalization, and burial only, and total payments for these services.

⁸ Increase of less than 0.05 percent.

⁹ Excludes a few cases and a small amount of local funds not administered by the State agency.

¹⁰ Includes cases receiving medical care only; number believed by State agency to be insignificant.

¹¹ Represents 1,879 cases aided by county commissioners, and 3,060 cases aided under program administered by State Board of Public Welfare; amount of duplication believed to be large; average per case and percentage change in number of cases cannot be computed.

Table 4.—Aid to the blind: Recipients and payments to recipients, by State, February 1945¹

State	Number of recipients	Payments to recipients		Percentage change from—			
		Total amount	Average	January 1945 in—		February 1944 in—	
				Number	Amount	Number	Amount
Total	71,893	\$2,122,185	\$29.52	-0.3	+0.1	-2.1	+2.7
Total, 46 States ²	56,012	1,661,745	29.07	-4	(³)	-2.2	+3.9
Ala.	750	12,177	16.24	-1	-7	+10.1	+15.3
Ariz.	432	19,607	45.39	-9	-9	+11.1	+32.2
Ark.	1,246	25,139	20.18	-5	-3	+3.7	+13.5
Calif.	5,379	265,645	47.64	-8	-7	-10.1	-9.3
Colo.	463	17,302	36.31	-5	-7	-8.7	-6.6
Conn.	132	4,582	34.71	-2.2	-7	-1.5	+3.6
D. C.	216	7,394	34.23	-9	-2	-11.1	-13.1
Fla.	2,273	67,698	29.78	-2	+1	-3.5	+47.6
Ga.	2,046	28,838	14.09	-1.2	-1.1	-4.7	-1.3
Hawaii	67	1,633	24.37	(³)	(³)	(³)	(³)
Idaho	206	6,608	32.08	-3.7	-3.0	-9.3	-6.5
Ill.	5,221	171,182	32.79	-3	(³)	+0.6	+16.5
Ind.	2,080	62,411	29.88	-1.0	-1.4	-7.7	-9.5
Iowa	1,289	42,207	32.74	-5	-2	-9.0	-5.8
Kans.	1,061	32,684	30.80	-1.0	-1.2	-8.6	-4.6
Ky.	1,610	20,857	12.95	-4	-4	+7.1	+12.0
La.	1,398	36,687	26.24	-4	+7	-4.9	-3.0
Maine	825	24,396	29.57	-6	-1	-7.4	+4.1
Md.	445	13,417	30.15	-4	-8	-3.1	+5.1
Mass.	959	41,267	43.03	+4	+1.8	-1	+9.5
Mich.	1,246	42,406	34.03	-5	+2	-1.5	+2.4
Minn.	946	34,894	36.89	+1.1	+2.3	-5	+11.0
Miss.	1,450	31,730	21.88	-1	+13.6	+6.2	+104.5
Mo.	8,000	75,000					
Mont.	314	9,965	31.74	-3	-5	+5.4	+12.5
Nebr.	453	11,979	26.44	-1.3	-1.0	-20.1	-15.5
Nev.	87	1,168	(³)	(³)	(³)	(³)	(³)
N. H.	270	8,162	30.23	-7	(³)	-3.2	+6.3
N. J.	638	17,243	32.17	-2.0	-1.1	-7.7	+3.9
N. Mex.	248	7,237	29.18	-1.6	-2.3	-5.3	-6.4
N. Y.	2,921	112,029	38.35	+7	+5	+5.6	+12.5
N. C.	2,281	39,645	17.38	-3	+8	+1.6	+10.6
N. Dak.	117	3,724	31.83	-1.7	-4.6	-8.6	+9.3
Ohio	3,080	82,353	26.74	-4	+2	-6.6	+5
Ore.	1,852	58,337	31.50	-4	-1	-4.5	+5.4
Oreg.	373	16,977	45.51	-1.3	-1.0	-2.1	+18.4
Pa.	12,854	534,878	42.00	-8	+8	-1.8	-1.5
R. I.	97	2,988	30.80	(³)	(³)	(³)	(³)
S. C.	899	18,123	20.05	+3	+9	+8.2	+24.9
S. Dak.	215	4,726	21.98	+9	+1.1	-7.3	+8.3
Tenn.	1,535	30,794	20.06	-2	-7	-4	-1
Tex.	4,630	112,161	24.22	(³)	(³)	-6	-1.4
Utah	129	5,165	40.04	0	-1.3	-2.3	-2.2
Vt.	151	4,326	28.65	-1.3	-1.1	+4.1	+14.1
Va.	953	16,837	17.67	-1.1	(³)	-3.2	+10.4
Wash.	598	23,570	39.41	-7	-6	-13.7	-11.0
W. Va.	816	17,948	22.00	-1	-1.0	-3.2	-3.4
Wis.	1,455	41,928	28.82	-5	-1	-8.7	-2.7
Wyo.	113	4,269	37.78	-2	-3.0	-11.7	-6.7

¹ For definitions of terms, see the *Bulletin*, September 1941, pp. 50-51. Figures in italics represent programs administered without Federal participation. Data exclude program administered without Federal participation in Connecticut which administers such program concurrently with program under the Social Security Act. Alaska and Delaware do not administer aid to the blind. All data subject to revision.

² Total under plans approved by Social Security Board.

³ For description of concurrent program, see text, page 25.

⁴ Not computed. Average payment not calculated on base of less than 50 recipients; percentage change, on less than 100 recipients.

⁵ Increase of less than 0.05 percent.

⁶ Estimated.

⁷ Decrease of less than 0.05 percent.

1941, but their growth had been retarded because funds had not been commensurate with need.

In Florida, for example, more ample funds made it possible for the State Welfare Board to authorize the investigation of several thousand applications, many of which had been filed in previous years. By the end of 1944, the agency had reduced the number of pending applications by almost three-fourths.

Many families who had applied earlier now have war jobs and more income than could have been pro-

vided through the assistance program. Interviews with some of the mothers showed, however, that the present arrangements did not assure the welfare of the children. Families that had moved to congested war-boom areas to get work found housing and community facilities very inadequate. Children often had to be left unsupervised while the mothers worked. Other mothers who had taken work away from their home community, leaving their children with relatives or friends, "frequently showed concern about the breaking up of their

homes and the well-being of their children." Some of the mothers whose children had left school to work realized that the children whose education had been interrupted might be unable to get jobs later.

Payments of aid to dependent children during 1944 to some of the families who had been on the waiting list enabled children to return to school. Mothers in other families stopped work to resume the care of their small children. Many mothers and older children continued to work; the agency helped some of them find part-

Table 5.—Aid to dependent children: Recipients and payments to recipients, by State, February 1945¹

State	Number of recipients		Payments to recipients		Percentage change from—					
	Families	Children	Total amount	Average per family	January 1945 in—			February 1944 in—		
					Number of—		Amount	Number of—		Amount
					Families	Children		Families	Children	
Total.....	255,287	643,797	\$11,741,802	\$45.99	+0.2	+0.3	+0.9	-4.7	-3.6	+3.7
Total, 49 States ²	255,185	643,571	11,738,137	46.00	+2	+3	+9	-4.6	-3.5	+3.7
Alabama.....	5,031	13,913	126,700	25.18	+6	+9	-1	+9.9	+11.1	+19.1
Alaska.....	84	101	1,770	(³)	(³)	(³)	(³)	(³)	(³)	(³)
Arizona.....	1,398	4,002	54,420	38.93	-9	-5	-2	-4.0	-3.9	-1.0
Arkansas.....	4,782	12,532	136,823	28.61	+8	+5	+1.0	-1.8	-1.6	+9.4
California.....	6,425	16,255	512,745	79.80	+5	+1	+8	-6.6	-6.6	+4.8
Colorado.....	3,347	9,048	121,715	36.37	+2	+2	+5	-7.8	-6.3	-5.4
Connecticut.....	1,935	4,924	146,124	75.52	+1.2	+9	+9	+7.8	+7.7	+17.2
Delaware.....	271	770	18,494	68.24	+3.0	+4.9	+5.0	+3.4	+8.3	+25.8
District of Columbia.....	583	1,868	34,410	59.02	+3.2	+4.1	+7.9	-5.0	-3.1	+22.3
Florida ⁴	4,812	11,809	160,191	33.29	+4.7	+5.1	+5.0	+69.4	+80.5	+106.3
Georgia.....	3,998	9,920	98,760	24.70	-2	-2	-1	-2.2	+2	-1.0
Hawaii.....	509	1,580	29,557	58.07	-1.7	-1.1	+4	-12.5	+2	-2.5
Idaho.....	1,262	3,500	47,309	37.49	-6	-3	-2	-21.6	-19.6	-20.2
Illinois.....	19,739	47,178	973,903	49.34	+4	+4	+9	-13.0	-10.7	+32.1
Indiana.....	6,483	14,825	231,523	35.71	-1.2	-1.1	-1.0	-20.1	-18.0	-15.8
Iowa.....	3,110	7,713	84,457	27.16	+5	+3	+5	+22.1	+21.6	+23.8
Kansas.....	2,999	7,538	144,846	48.44	-7	-1.1	-9	-20.8	-20.7	-15.8
Kentucky ⁴	4,765	12,879	104,346	21.90	-1	+3	(⁵)	+37.9	+33.5	+36.1
Louisiana.....	9,207	23,639	332,692	38.31	-3	-6	-6	-13.3	-11.8	-11.9
Maine.....	1,314	3,687	80,451	61.23	+9	+2	+1.5	-9.6	-10.5	+6.9
Maryland.....	2,814	8,111	167,062	38.05	+5	+1.0	+2.0	-6.3	-5.5	-8
Massachusetts.....	7,137	17,592	560,530	78.54	+3	+3	+6	-2.7	-2.3	+2.8
Michigan.....	12,578	30,300	756,062	60.11	+6	+5	+6	-5.1	-4.2	-4.7
Minnesota.....	4,948	12,418	205,948	41.62	-9	-6	-1	-14.0	-12.2	-9.6
Mississippi.....	2,853	7,298	73,760	25.85	-1.9	-2.2	-2.0	+5.4	+6.2	+32.0
Missouri.....	10,775	27,352	389,578	33.37	+2	+2	+2	-3.7	(⁵)	-1.2
Montana.....	1,309	3,268	44,463	33.97	-3	-7	-7	-13.2	-11.5	-11.5
Nebraska ⁴	2,376	5,531	78,105	32.87	-8	-4	-3	-21.6	-21.3	-20.9
Nevada.....	68	125	1,895	27.87	(⁵)	(⁵)	(⁵)	(⁵)	(⁵)	(⁵)
New Hampshire.....	709	1,753	47,983	67.68	+9	+1.0	+9.4	+1	-3.4	+20.8
New Jersey.....	3,421	8,446	192,405	56.24	-9	-7	+4	-16.8	-14.0	+3.1
New Mexico.....	2,315	6,502	93,108	40.22	+2.3	+1.6	+1.8	+4.0	+1.5	+19.2
New York.....	18,717	43,463	1,401,362	74.87	(⁵)	-2	+3	+2.4	+4.0	+7.7
North Carolina.....	6,155	15,569	144,308	23.46	-5	+4	+7	-9.3	-4.3	+6.2
North Dakota.....	1,519	4,173	78,092	51.94	+3	+4	-5	-12.1	-12.9	+8.7
Ohio.....	7,625	20,580	410,767	53.87	-2	-1	+1	-11.6	-11.2	-3.0
Oklahoma ⁴	14,562	34,563	484,459	33.27	+4	+5	+4	+5.6	+4.4	+9.3
Oregon.....	1,206	2,943	94,492	78.35	+2	+4	+1.1	+1.0	+2.1	+17.9
Pennsylvania.....	21,773	57,877	1,255,885	57.68	+3	+2	+3.6	-13.6	-12.4	-6.0
Rhode Island.....	1,179	3,064	80,346	68.15	+9	+2	+1.1	+5.3	+1.8	+11.1
South Carolina.....	3,568	10,499	85,668	24.01	+8	+1.4	+1.0	+4.8	+4.4	+12.2
South Dakota.....	1,455	3,373	47,480	32.61	+1	-6	-1.0	-7.1	-8.1	-3.8
Tennessee.....	11,050	28,819	342,759	31.02	+3	+5	+4	-2.7	-1.2	+4.0
Texas.....	10,802	23,635	225,320	20.86	(⁵)	+2	+1	+9.9	+8.8	+7.9
Utah.....	1,839	4,890	133,943	72.83	-6	-1.2	-4	-3.7	-5.3	+1
Vermont.....	552	1,411	18,919	34.27	+5	+1.1	+1.2	-4.5	-3.9	-5
Virginia.....	3,503	9,942	99,312	28.35	-2	-2	+9	-7.8	-7.8	+5.7
Washington.....	3,344	8,244	288,104	86.10	+7	+8	+1.1	+2.4	+2.8	+9.6
West Virginia.....	6,920	19,354	228,446	33.01	+1.4	+1.5	+1.3	-4.5	-1.4	+5.8
Wisconsin.....	5,911	14,217	324,663	54.93	-8	-6	+1	-14.9	-14.8	-5.8
Wyoming.....	300	804	14,472	48.24	-7	-1.7	+2	-23.9	-23.1	-15.1

¹ For definitions of terms, see the *Bulletin*, September 1941, pp. 80-51. Figures in italics represent programs administered without Federal participation. Data exclude programs administered without Federal participation in Florida, Kentucky, Nebraska, and Oklahoma, which administer such programs concurrently with programs under the Social Security Act. All data subject to revision.

² Total under plans approved by Social Security Board.

³ Not computed. Average payment not calculated on base of less than 50 families; percentage change, on less than 100 families.

⁴ For description of concurrent program, see text, p. 26.

⁵ Increase of less than 0.05 percent.

time employment. In some instances recreation and child care were arranged for young children.³

Upturn in case load late in year.—In the last 2 months of 1944, the total number of families aided increased nearly 2,300—partly as a result of administrative transfers. In many States, funds for old-age assistance and aid to the blind have been more nearly adequate than for aid to dependent children. A number of these States have assisted some children eligible for aid to dependent children by including their requirements in determining the need of aged or blind recipients in the household. Funds appropriated for aid to dependent children were used chiefly in households that did not include recipients of other types of aid.

A clarification of the Federal matching policy, issued in 1944, applied to all cases added or reviewed after October 1. Federal matching for assistance to most children may now be obtained only through aid to dependent children. The policy has encouraged the transfer to aid to dependent children of children who had previously benefited from another type of assistance. Some State agencies which had not often given more than one type of assistance in a household reported few new cases opened by these transfers. The experience of a few other States indicates that such additions to the rolls may amount to 10 percent of the case load in September 1944.

The upswing in the national case load at the end of 1944 was apparently more general than were transfers from other types of aid and indicated an actual increase in the number of needy families; 37 States aided more families in December than in November.

Need of recipients has increased.—The amount of assistance needed by the families who have remained on the rolls has risen during the war because of changes in the composition of the case load as well as in living costs. Several State agencies have reported that the families now receiving aid are those with fewest resources and greatest need. The annual report of the State agency in Delaware, for example, commented on the "sharp increase in the number of families

totally dependent on aid to dependent children."⁴ The number of children aided per family has tended to increase slightly. In more than two-thirds of the States the proportion of families with 6 or more children receiving assistance was higher at the end of 1944 than a year earlier.

Reports of assistance agencies show general awareness of the difficulties of recipients in this period of high living costs. One agency said:

"An increase in the cost of living is felt most keenly by persons living on a subsistence level and below, where there is no margin for adjustment to changing prices. This places upon the Department the obligation for a careful consideration of the cost of living in relation to assistance standards . . ."

Increases in payments uneven.—Because of widespread attempts to adjust assistance to increased need, the average payment of aid to dependent children in the United States rose about \$4 during 1944, and State averages rose somewhat in all States but 3. Uneven increases, however, left the range in the State averages in December 1944—\$20.83 to \$85.34—even greater than at the end of 1943. The increases in average payments in Delaware, the District of Columbia, Illinois, North Dakota, and Oregon ranged from \$12 to \$19 per family. Illinois increased from \$18 to \$40 the maximum amount that can be given for the first child in a family and permitted the inclusion of the requirements of both parents in determining the amount to be paid to families with an incapacitated parent. North Dakota removed all fixed limits on payments. Maximums were removed also in Virginia and were raised in Mississippi and Pennsylvania.

Maximums prevented adjustments.—The States with no change in maximums and especially those with the lowest maximums could increase payments very little. No increase in payments to meet the wartime rise in living costs has been possible for the large number of families that already received maximum payments. Any increases in standards for aid to dependent children in these States, therefore, had little effect on the ade-

quacy of payments except merely to increase the percent of payments at maximum amounts. In 12 States more than four-fifths of the families on the rolls received maximum payments in November 1944. The average payment per family increased by less than \$1 during the year in 5 of these States, by \$1-2 in 3 others. Two of the 12 States had more than four-fifths of their payments at maximum amounts even though increases in their maximums raised average payments by more than \$5. Florida raised its average payment \$8 by providing 100 percent instead of 75 percent of the budgetary deficit if this deficit did not exceed the \$18-12 maximums. The proportion of payments at prescribed limits in this State increased from 49 to 81 percent. A report of the State agency says, however:

"Present maximums will not provide even minimum food and shelter and are totally inadequate to provide such other essentials as clothing, utilities, household supplies, medicine, recreation, and other requirements necessary for the well-being of any family."

In some States with maximums, general assistance or, less often, some other type of assistance ekes out payments of aid to dependent children that do not meet minimum need. Such supplementation is very rare in other States with maximums.

Some State funds still too low.—Inadequacy of funds still explains low payments in a number of States. The Louisiana agency was forced to impose maximums for the first time in July 1944 but set the ceiling for the first child at \$40 and that for a family at \$75.

Ten States throughout 1944 met less than 100 percent of need as established by State standards; in a few States as little as 50 percent was met. The State agency in one of these States reported that its slightly higher payments had raised morale rather than buying power but had kept the latter at about the 1940 level.⁵

Some States improved standards.—The State agencies that adjusted the cost figures in their budget guides, raised their maximums, or increased the percent of need met brought their

⁴ Delaware Commission for Aid to Dependent Children, *Twenty-Sixth Annual Report*, p. 8.

⁵ Oklahoma Department of Public Welfare, *Annual Report*, fiscal year 1943-44, p. 2.

³ Florida State Welfare Board, *Seventh Annual Report*, fiscal year 1943-44, p. 10.

⁶ Florida State Welfare Board, op. cit., p. 11.

⁷ Alabama Social Welfare, Vol. IX, No. 8, August 1944, p. 6.

payments nearer to the minimum standards adopted earlier. A few States were able to improve their standards. A report on the administration of public assistance in North Dakota said:

"The favorable weather conditions, together with the increased prices of farm products have resulted in a spectacular improvement in the general economic condition of the entire state of North Dakota during the last three years. The resulting increase in tax revenue forthcoming to the state and its political subdivisions has made possible larger appropriations for the assistance programs. The people of the state have been emphatic in the expression of their desire that the approved living standards of the general population be shared by those who are unable to earn a living through their own individual efforts . . ."

This agency and a few others established floors under their standards by setting minimum amounts for some of the basic requirements of recipients.

Special Types of Assistance Provided Without Federal Participation

A small proportion of categorical assistance to children and a considerably larger proportion of aid to blind persons is administered without Federal participation and under laws that were in operation before the passage of the Social Security Act. Alaska and Nevada still have only such provisions for children; Nevada, Missouri, and Pennsylvania have only State or State-local provisions for the blind. Some States have continued small local or State programs concurrently with State-Federal programs.

County Programs of Mothers' Aid

A few State legislatures did not repeal permissive laws for mothers' aid or widows' pensions when they enacted laws providing for participation with the Federal Government in aid to dependent children. Some of the counties in these States have continued to appropriate funds for the earlier programs and have administered them simultaneously with aid to dependent children. The county pro-

grams have been continued because of interest in the early program, a sense of local responsibility, and inadequate funds for aid to dependent children.

At the end of 1944 the largest of these programs in terms of the number of families aided was the mothers'-assistance program in Florida. Nebraska's mothers'-pension program, however, was in operation in the largest number of counties. Although in Kentucky, only Jefferson County had a separate program, the expenditures for assistance under this program in December 1944 were larger than in any of the other States (table 6).

Supplementation of Aid to Dependent Children by Concurrent Programs

In some counties the concurrent programs aid families who do not receive aid to dependent children. The case loads in other counties represent a certain amount of duplication because the older programs supplement aid to dependent children payments to some families. Mothers' pensions, for example, supplemented 9 percent of such payments in Nebraska in August 1944. In Jefferson County, Kentucky, which includes the city of Louisville, the county program supplemented more than three-fourths of the payments of aid to dependent children in December. Furthermore, the average amount of assistance under the local program was larger than the average under the State program. In both States, \$18-12 maximums for aid to dependent children prevent meeting need fully through aid to dependent children. In Kentucky only 50 percent of the requirements of recipients can be provided under aid to dependent children; the county program provides the balance of the family deficit. Widow's-pension payments in Oklahoma also supplement aid to dependent children occasionally.

Concurrent Programs for the Blind

In December 1944, 20 blind persons in Connecticut received assistance totaling \$800 from the Connecticut Board of Education of the Blind. Payments from this agency usually supplement other assistance and provide for special needs; only about 6 recipients were receiving monthly payments for maintenance. Recipients of aid to the blind may receive

Table 6.—Concurrent programs, December 1944

State	Number of counties administering programs	Number of recipients		Amount of payments
		Families	Children	
Florida.....	21	674	1,379	\$12,805
Kentucky.....	1	314	925	14,168
Nebraska.....	60	392	1,298	10,028
Oklahoma.....	4	18	38	225

payments under the concurrent program if the \$40 maximum for aid to the blind does not meet their need. In December 1944, less than 5 blind persons in each of 2 other States—Florida and Nebraska—also were aided by county programs persisting under earlier laws.

Reporting of Programs Without Federal Participation

Partly because of duplication between the concurrent programs and aid to dependent children and aid to the blind under the Social Security Act, it has not been possible to report consistently the concurrent programs in the various States. Beginning with the statistics for January 1945, the concurrent programs are omitted from BULLETIN tables. This omission reduces total figures for the United States by less than 0.5 percent in each program.

Mothers' aid in Alaska and Nevada and blind pensions in Missouri, Nevada, and Pennsylvania are included in the monthly series, however, because these programs are the only provisions for these groups of recipients. In Missouri and Pennsylvania, both the case loads and expenditures represent a not inconsequential part of the national totals for the blind.

California provides entirely from State and local funds for partially self-supporting blind persons who have submitted plans for vocational rehabilitation which the applicants cannot finance through their own income. Colorado provides old-age assistance for persons 60 to 65 years of age if they have had 35 years' continuous residence in the State. In contrast to the concurrent programs which other agencies administer, the provisions in California and Colorado are administered by the State welfare departments as part of their plans for these groups of people. Data on recipients and payments are included, therefore, in the State data shown in monthly tables.

* Public Welfare Board of North Dakota, *Public Welfare Bulletin*, Vol. 9, No. 8, August 1944, p. 17.

Employment Security

Unemployment Compensation

February activities.—The upward movement in claims and benefit payments which began in October was halted in February when initial claims declined 45,000 (29 percent), continued claims 82,000 (14 percent), and benefit payments \$864,000 (12 percent) from the preceding month.

Factors responsible for these marked declines were the tightness of the labor market in many areas, with a consequent rapid absorption of unemployed workers; early resumption of activities in some of the seasonal industries which normally defer the start of operations until March or April; and a shorter reporting period in February. The heaviest claims load falls on Monday in a number of States, and February had only four Mondays compared with five in January.

The average weekly number of individuals receiving benefits in February fell to 100,000, a decrease of 4.5 percent from the January number and 3.7 percent below the figure for February 1944. Payments totaled \$6.4 million for 400,000 weeks of unemployment, as compared with \$7.3 million for 454,000 weeks in January.

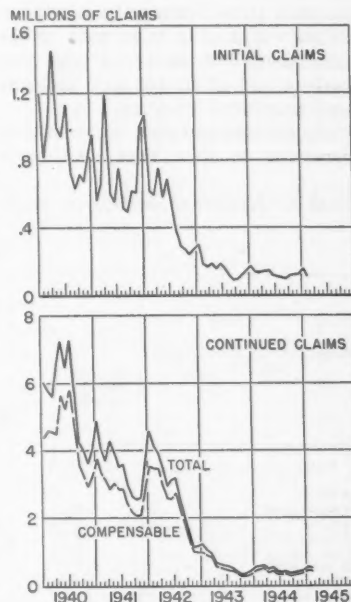
By the end of February, \$2.2 billion had been disbursed in benefits since the beginning of the program. The amount available for future payments continued to increase, with \$6.3 billion on reserve at the end of February.

A majority of the States participated in the February declines in claims and benefits. Only 5 States reported increased initial-claim receipts in February, and continued claims rose in only 10 States (table 3). Benefit expenditures increased in 19 States, most of which were in the West North Central, Rocky Mountain, and Pacific Coast areas. Only 4 States east of the Mississippi—Delaware, the District of Columbia, Georgia, and South Carolina—reported increases (table 2).

Rehiring of aircraft workers in California reduced unemployment benefits in that industry by approximately one-third in February. The number of beneficiaries in the State,

however, is continuing to rise (19 percent above the January level, and 71 percent above that in February 1944). The weekly average number of beneficiaries (21,300) was 8,800 greater than the average a year earlier. Payments have increased in all parts of the State, but the largest relative increases occurred in the metropolitan areas. This is not surprising, since these areas had the sharpest declines in payments during 1940-43. For example, the number of payments in the Los Angeles County and San Francisco Bay areas combined amounted to 58 percent of the State total in February 1940 and 26 percent in February 1944, but by February of this year, payments in these areas were 33 percent of the State figure. The claimants are still predominantly women and older men, but the proportion of male claimants is increasing. Few claimants are unemployed long enough to exhaust their benefit rights, although the average duration of unemployment is increasing. The number of claimants was only one-fifth as large as in 1940, but, because the number of persons with qualifying earnings has doubled since 1940 and the average duration of payments has decreased, compensated unemployment per eligible worker is currently about one-tenth as great as it was in 1940.

Chart 1.—Number of initial and continued claims received in local offices, January 1940-February 1945



In Illinois, the sharp decline in initial claims resulted from a tapering-off of mass lay-offs which occurred in January in transportation-equipment and communication-equipment plants. The number of seasonal lay-offs in February also fell off sharply from January. Many workers were reemployed in February in the textile and apparel industry and in con-

Table 1.—Summary of unemployment compensation operations, February 1945 and March 1944-February 1945

Item	February 1945			March 1944-February 1945		
	Number or amount	Percentage change from—		Number or amount	Percentage change from—	
		January 1945	February 1944		March 1943-February 1944	March 1942-February 1943
Initial claims.....	109,416	-28.9	-19.5	1,460,742	-14.4	-71.5
New.....	70,934	-32.7	-20.0	1,001,171	-11.4	(1)
Additional ²	36,150	-20.3	-14.6	428,190	-18.7	(1)
Continued claims.....	510,549	-13.9	-9.7	5,501,294	-15.2	-79.9
Waiting-period.....	81,384	-29.1	-14.2	969,021	-14.9	-74.9
Compensable.....	429,165	-10.2	-8.8	4,532,254	-15.2	-80.7
Weeks compensated.....	400,274	-11.8	-3.7	4,198,200	-15.9	-81.8
Total unemployment.....	360,877	-11.9	-4.4	3,793,971	-15.4	-82.1
Part-total unemployment ³	9,003	-2.9	-24.6	110,898	-21.5	-82.3
Partial unemployment ⁴	28,334	-14.2	-21.2	286,372	-13.4	-78.1
First payments ⁵	49,184	-17.8	-5.9	528,095	-6.0	-75.4
Exhaustions ⁶	9,096	-10.8	-1.3	103,420	-33.8	-88.7
Weekly average beneficiaries.....	100,076	-4.5	-3.7			
Gross benefits paid.....	\$6,434,802	-11.8	-4.5	\$65,413,096	-4.5	-77.3
Benefits paid since first payable ⁷	\$2,188,052,618					
Funds available as of Feb. 28.....	\$6,317,536,877	+2.0	+20.1			

¹ Data not available.

² Excludes Florida, Indiana, Maryland, Ohio, and Pennsylvania, which have no provision for filing additional claims.

³ Excludes New York because data not reported, and Montana and Pennsylvania, which have no

provisions for partial and part-total unemployment.

⁴ Based on 46 States reporting comparable data.

⁵ Excludes Wisconsin; data not comparable.

⁶ Based on 49 States reporting comparable data.

⁷ Based on 48 States reporting comparable data.

⁸ Adjusted for voided benefit checks.

struction; these two industries had accounted for most of the seasonal lay-offs in the preceding month. The decrease from January in continued claims was due, in large part, to re-employment of many of the war workers laid off in January, particularly munitions workers.

The average duration of benefits is increasing in New York. Although

more initial claims were filed in January than in February, compensable claims averaged about 870 less per week. Benefit payments were about 13 percent below the January total and slightly less than in February 1944. Most of the January-February decrease was concentrated in New York City, where the resumption of operations in several of the apparel

industries contributed to the decline. Payments in New York City are currently less than half the State total. Up-State payments are rising, as evidenced by increases of 25 percent in Utica, 14 percent in Syracuse, and 10 percent in Albany. Binghamton, however, showed a 17-percent drop, and payments in Buffalo declined for the first time in several months.

Table 2.—Number of beneficiaries, number of weeks compensated, and amount of benefits paid, February 1945, and funds available for benefits as of February 28, 1945, by State

[Data reported by State agencies, corrected to Mar. 24, 1945]

Social Security Board region and State	Beneficiaries		Weeks compensated for specified types of unemployment				Benefits paid ¹			Funds available for benefits ² as of Feb. 28, 1945	
	Average weekly number	Percentage change from—		All types	Total	Part- total ³	Partial ⁴	Amount	Percentage change from—		
		January 1945	February 1944						January 1945		February 1944
Total.....	100,076	-4.5	-3.7	400,274	360,877	9,003	28,334	\$6,434,802	-11.8	+4.5	\$6,317,536,877
Region I:											
Connecticut.....	1,654	-10.4	+46.9	6,614	6,303	130	181	126,569	-15.5	+60.0	160,737,551
Maine.....	1,376	-20.6	+12.6	5,502	4,780	67	67	57,415	-23.5	+31.3	32,988,315
Massachusetts.....	3,317	-19.4	-25.4	13,266	12,085	94	1,087	210,455	-23.7	-19.7	205,538,831
New Hampshire.....	245	-15.2	-55.4	978	838	1	139	10,706	-20.3	-53.4	20,275,885
Rhode Island.....	1,352	-2.9	-18.9	5,406	4,510	0	896	84,250	-10.4	-21.2	65,988,239
Vermont.....	93	-35.0	-19.1	371	358	8	5	4,567	-40.2	-11.5	11,383,990
Region II-III:											
Delaware.....	238	+7.2	+103.4	950	672	2	276	12,794	+8.5	+86.7	14,055,025
New Jersey.....	4,539	-24.4	-26.8	18,154	16,506	65	1,583	290,998	-28.9	-24.4	409,756,750
New York.....	14,613	-5.6	-7.6	58,453	56,393	(1)	(1)	951,645	-12.9	-2.6	883,888,418
Pennsylvania.....	3,952	-23.5	-10.0	15,807	15,807	(1)	(1)	244,870	-31.6	-7.4	575,073,506
Region IV:											
District of Columbia.....	677	+16.9	-41.8	2,708	2,621	76	11	47,712	+6.7	-42.2	41,934,362
Maryland.....	886	-19.4	-19.2	3,544	2,646	25	873	56,142	-27.0	-13.0	115,286,254
North Carolina.....	667	-2.6	-45.6	2,668	2,448	26	194	24,220	-12.1	-32.4	95,517,606
Virginia.....	430	+4.6	-43.0	1,721	1,633	14	74	19,209	-3.2	-47.2	59,453,638
West Virginia.....	840	-7.7	-33.3	3,360	2,083	0	1,277	47,561	-12.6	-33.2	64,250,612
Region V:											
Kentucky.....	1,159	-19.3	-33.8	4,635	4,313	248	74	48,402	-28.0	-34.3	80,266,888
Michigan.....	12,911	-14.0	+117.9	51,645	50,896	372	377	992,928	-21.2	+127.7	265,758,406
Ohio.....	1,415	-2.5	-52.0	5,660	5,263	119	278	79,477	-10.6	-50.2	438,495,494
Region VI:											
Illinois.....	9,260	-10.8	-8.7	37,038	31,673	3,511	1,854	621,637	-16.9	-7	480,963,119
Indiana.....	1,597	-8.8	-66.5	6,387	5,937	70	380	97,452	-17.1	-68.1	168,312,357
Wisconsin.....	876	-18.6	-79.8	3,505	2,847	156	502	50,049	-23.4	-78.4	163,748,388
Region VII:											
Alabama.....	1,131	-9.0	+2.4	4,525	4,468	42	15	51,967	-17.9	+1.2	61,917,566
Florida.....	1,285	-7.9	+52.8	5,139	4,594	243	302	67,921	-14.3	+57.0	50,026,004
Georgia.....	1,302	+100.3	+2.0	5,208	4,868	42	298	59,659	+64.5	+16.4	71,971,197
Mississippi.....	306	-25.5	-40.2	1,224	1,109	28	87	12,885	-23.7	-37.0	22,331,593
South Carolina.....	615	+29.7	-20.1	2,461	2,416	19	26	25,281	+11.5	-24.9	35,401,709
Tennessee.....	3,102	-5.9	+17.3	12,406	12,032	207	167	144,299	-13.9	+21.6	74,066,877
Region VIII:											
Iowa.....	683	+58.5	-26.6	2,733	2,392	149	192	29,679	+40.4	-25.6	56,063,471
Minnesota.....	1,120	+31.5	-33.4	4,481	3,893	265	323	61,709	+16.8	-32.1	78,590,532
Nebraska.....	163	+53.8	-61.1	650	328	4	318	7,318	+40.1	-65.7	24,023,432
North Dakota.....	76	(1)	+22.6	302	97	15	187	3,413	+46.9	+17.6	4,693,384
South Dakota.....	92	+53.3	-41.0	369	231	0	138	3,220	+53.3	-41.0	6,036,431
Region IX:											
Arkansas.....	295	+3.5	-54.4	1,181	1,136	41	4	12,776	-8.3	-54.4	26,182,267
Kansas.....	493	-18.1	-59.8	1,972	1,682	89	201	23,079	-25.2	-64.1	48,660,364
Missouri.....	1,288	-16.0	-50.7	5,151	4,177	99	875	64,220	-23.2	-58.5	145,033,120
Oklahoma.....	305	-11.6	-69.2	1,218	1,037	65	116	15,574	-23.5	-72.5	43,954,007
Region X:											
Louisiana.....	825	-12.0	-32.0	3,299	2,507	97	695	44,709	-21.2	-23.0	69,506,581
New Mexico.....	23	(1)	(1)	93	91	2	0	1,049	-8.7	-36.7	8,906,940
Texas.....	1,099	-9.0	+23.1	4,394	4,242	152	0	54,070	-15.7	+36.6	142,957,413
Region XI:											
Colorado.....	86	-2.3	-74.6	343	335	5	3	4,604	-13.1	-73.5	31,465,669
Idaho.....	136	+97.1	+6.3	543	531	12	0	8,611	+77.7	+15.1	13,227,320
Montana.....	193	+35.9	-16.1	770	770	(1)	(1)	10,081	+28.0	-11.2	16,412,099
Utah.....	286	+11.3	-19.9	1,142	1,068	68	6	21,544	+2.7	-20.2	23,062,325
Wyoming.....	11	(1)	(1)	44	41	3	0	608	+86.6	+61.9	7,282,555
Region XII:											
Arizona.....	120	+20.0	-60.0	480	477	3	0	6,709	+11.8	-60.5	17,349,675
California.....	21,296	+18.7	+70.7	85,182	69,934	2,192	13,056	1,526,508	+10.0	+78.1	654,376,995
Nevada.....	58	(1)	+11.5	232	227	4	1	3,361	+12.0	+11.1	9,253,019
Oregon.....	387	+80.0	+10.9	1,549	1,423	35	91	21,915	+65.2	+15.6	64,836,628
Washington.....	1,097	+47.6	+90.1	4,387	3,775	116	496	62,394	+36.1	+90.9	132,483,079
Territories:											
Alaska.....	96	+54.8	+4.3	384	365	19	0	5,773	+39.8	+15.9	7,234,776
Hawaii.....	10	(1)	(1)	40	19	0	21	658	-46.0	-52.6	16,556,215

¹ Excludes New York because data not reported, and Montana and Pennsylvania, which have no provisions for partial and part-total unemployment.

² Not adjusted for voided benefit checks.

³ Represents sum of balances at end of month in State clearing account and bene-

fit-payment account, and in State account in Federal unemployment trust fund (excluding amount transferred to railroad unemployment insurance account).

⁴ Not computed, because fewer than 50 beneficiaries were reported in either or both periods.

Payments to out-of-State claimants decreased 31 percent in February and were considerably less than half the amount paid to nonresidents a year ago.

The lower volume of claims in New Jersey represents a recovery from what may have been abnormally high claims loads in November and December, when there were heavy lay-offs in the aircraft frame and assembly manufacturing industry and in ship-building and ship repair. The effect of these lay-offs has been dissipated by the placement of some of these workers in other employment and by the exhaustion of benefit rights of others. The New Jersey claims load is expected to continue downward during March, except for the possible effect of further lay-offs in ship-repair yards.

Pennsylvania initial claims rose 3.8 percent in February, continued claims fell 7 percent, and benefit payments fell sharply. The rise in initial claims resulted from a heavy increase in new claims in the Washington, Jeannette, and Charleroi local offices, where mass lay-offs in glass plants had resulted from a lack of natural gas. However, since the shut-down of these factories lasted only a few days, the number of waiting-period claims was not affected. The sharp drop from January in benefit payments and a slight decline in continued claims may be attributed primarily to abnormal activity in January, when there was a 77-percent increase in the number of checks issued and an 82-percent increase in total payments. These increases were caused primarily by the payment of approximately 4,600 pay orders which had been pending since last July, when an industrial dispute occurred in the anthracite-mining region, and were concentrated mainly in the Shenandoah area, where payments rose from \$20,000 in December to more than \$110,000 in January. Another factor contributing to the January rise was the unusually severe winter weather, which forced several mines in the Pittsburgh area to close. The February decreases, therefore, reflect a return to more normal activity.

Initial claims received in Minnesota local offices decreased 63 percent from January and 81 percent from February 1944. The largest relative decrease was in the manufacturing group, and the next largest, in mining

and quarrying. Only 25 percent of the claims received were filed by workers under 40 years of age, as compared with 28 percent a month earlier. Claims filed by workers over 55 years of age increased from 36 percent of the total in January to 46 percent in February. Women workers accounted for 48 percent of the

February claims filed as compared with 42 percent in January. The number of beneficiaries was 31 percent above January levels, but one-third less than in February 1944.

Massachusetts claims and payments declined sharply from January levels. Although lay-offs in some war industries continued in February, they

Table 3.—Initial and continued claims received in local offices, by State, February 1945

[Data reported by State agencies,¹ corrected to Mar. 23, 1945]

Social Security Board region and State	Initial claims			Continued claims				
	Total ¹	Percentage change from—		New	Total ¹	Percentage change from—		Compen- sable
		January 1945	February 1944			January 1945	February 1944	
Total.....	109,416	-28.9	-19.5		510,549	-13.9	-9.7	429,165
Region I:								
Connecticut.....	2,827	-9.6	-6.9	1,982	8,361	-16.0	+53.4	6,873
Maine.....	656	-50.2	-28.8	392	7,813	-4.7	+45.6	7,474
Massachusetts.....	4,773	-28.3	-19.1	2,512	15,475	-29.9	-49.7	13,549
New Hampshire.....	256	-31.0	-42.6	170	1,185	-23.8	-52.3	1,101
Rhode Island.....	1,342	-28.0	-13.7	1,003	5,673	-13.0	-8.6	5,312
Vermont.....	77	-16.3	-30.6	64	521	-33.7	-29.6	427
Region II-III:								
Delaware.....	260	-11.9	+32.0	219	1,044	-1.1	+99.2	918
New Jersey.....	6,381	-21.0	-14.1	4,018	23,444	-22.6	-21.2	19,943
New York.....	17,806	-25.2	-28.1	7,644	73,947	-14.2	-8.8	56,213
Pennsylvania ⁴	4,214	+3.8	-8.5	4,214	21,748	-7.0	-15.2	16,796
Region IV:								
District of Columbia.....	394	-36.0	-40.6	354	3,247	+2.4	-39.0	2,967
Maryland.....	504	-25.9	+28.2	504	3,266	-29.6	-17.7	3,045
North Carolina.....	1,125	-43.2	-28.5	996	3,968	-25.8	-38.2	3,316
Virginia.....	330	-18.7	-27.5	283	1,833	-14.3	-29.6	1,647
West Virginia.....	1,412	-16.9	+17.0	1,199	5,277	-10.1	-16.3	5,055
Region V:								
Kentucky.....	1,240	-15.3	-28.4	1,071	7,027	-21.1	-37.0	6,575
Michigan.....	12,320	-16.0	+14.2	9,176	63,860	-12.1	+116.5	55,266
Ohio ⁴	3,395	+10.7	-18.5	3,395	8,351	-13.5	-52.6	6,115
Region VI:								
Illinois.....	11,580	-38.7	-18.1	5,160	41,251	-25.4	-12.2	36,532
Indiana ⁴	1,636	-80.2	-61.4	1,636	9,330	-35.4	-56.8	6,150
Wisconsin.....	1,868	-20.4	-67.3	(⁵)	4,759	-26.0	-78.1	3,753
Region VII:								
Alabama.....	826	-23.2	-16.6	709	5,192	-14.6	-7.2	4,689
Florida ⁴	1,129	-49.7	-11.0	1,129	9,355	-38.7	+14.4	8,912
Georgia.....	1,450	-30.4	+38.4	1,268	8,598	+92.3	+35.0	5,533
Mississippi.....	366	-45.4	-32.3	334	2,139	-28.6	-33.6	1,804
South Carolina.....	596	-38.8	-47.8	489	3,869	+4.9	-25.4	3,450
Tennessee.....	2,337	-20.0	+34.8	1,907	16,929	-12.5	+20.7	14,998
Region VIII:								
Iowa.....	665	-43.3	-43.4	564	3,908	+13.1	-40.6	3,061
Minnesota.....	629	-62.6	-80.8	489	5,512	-20.9	-46.9	4,681
Nebraska.....	131	-52.4	-59.8	109	760	-12.8	-56.9	637
North Dakota.....	53	-47.0	-30.3	48	399	+26.7	-4.5	368
South Dakota.....	88	-45.5	-45.3	82	525	-4.2	-45.4	494
Region IX:								
Arkansas.....	351	-31.0	-58.8	298	2,222	-16.6	-56.1	2,145
Kansas.....	360	-37.5	-57.5	297	2,443	-27.0	-50.7	2,237
Missouri.....	1,913	-15.6	-60.6	1,682	7,848	-24.2	-57.2	6,451
Oklahoma.....	490	-9.9	-65.8	387	2,377	-17.5	-66.5	2,247
Region X:								
Louisiana.....	923	-14.4	-45.6	782	4,401	-21.3	-43.3	4,001
New Mexico.....	53	-26.4	-47.5	44	241	-7.7	-43.0	222
Texas.....	1,464	-29.1	-32.9	(⁷)	9,505	-11.4	-11.8	8,768
Region XI:								
Colorado.....	117	-32.8	-73.4	85	586	-14.0	-70.4	510
Idaho.....	60	-50.7	-64.3	42	656	+7.9	-26.8	575
Montana.....	144	-30.1	-68.1	121	1,017	-2.4	-50.8	845
Utah.....	208	-26.0	-51.1	127	1,200	-4.7	-30.9	1,077
Wyoming.....	7	(⁸)	(⁸)	7	71	(⁸)	-6.6	55
Region XII:								
Arizona.....	289	-1.7	-55.1	260	1,180	-1.3	-54.4	1,112
California.....	17,219	-32.8	+5.7	10,482	97,643	-3.2	+40.2	83,376
Nevada.....	112	-30.0	+62.3	104	569	+11.8	-85.3	451
Oregon.....	1,560	+22.3	+42.2	1,397	3,472	+19.0	+12.9	2,133
Washington.....	2,286	+6	+50.9	1,577	5,701	+15.1	+61.7	4,639
Territories:								
Alaska.....	165	+17.9	+126.0	89	758	+114.1	+27.2	621
Hawaii.....	23	(⁹)	(⁹)	23	93	-1.1	(⁹)	42

¹ Except claims taken by U. S. Employment Service personnel, which are reported by War Manpower Commission.

² Includes additional claims, except in Florida, Indiana, Maryland, Ohio, and Pennsylvania.

³ Includes waiting-period claims.

⁴ State procedures do not provide for filing additional claims.

⁵ Excludes all claims for partial unemployment.

⁶ Data not comparable.

⁷ Data not available.

⁸ Not computed, because fewer than 50 claims were reported in either or both periods.

were more than offset by expansion of other war production and by an increase in construction activities. "Staggered" employment among Lawrence textile workers accounted for a sizable proportion of the February claims load.

Ohio benefits declined in February, but—for the first time—more initial claims were filed in February than in January. The increase was attributed to gas shortages, which were particularly severe in the Fostoria and Lancaster areas. Ninety percent of the new claims filed in these areas resulted from gas shortages, as did 50 percent of the new claims filed in Toledo and 33 percent of those in Columbus and Cincinnati.

In Oregon, both claims and benefit payments rose in February. The shipbuilding industry in this State has released between 8,000 and 10,000 workers in the past few months, and in February some 5,000 were laid off in the Portland area. The initial-claim load in this State is expected to increase further in the next few months.

In Washington, the predominant reasons for the sharp rise in payments were the number of women laid off in the Vancouver area in the shipbuilding industry and the lack of re-employment opportunities for these workers. More than three-fourths of the warrants written through the Vancouver office were to former shipbuilding workers, principally women.

The Wisconsin claimant register includes a large number of persons who live in rural areas, where employment opportunities are limited. The State also reports difficulty in placing women and older men, since employers are beginning to show greater selectivity in hiring. Although February claims and payments were substantially below January figures—and currently running at a very low level—increases may be expected if anticipated shipbuilding lay-offs materialize in the next few months.

As is evident from the preceding paragraphs, curtailment in shipbuilding in many areas is causing significant lay-offs. Similar lay-offs were also reported by Alabama, Delaware, Florida, Georgia, Indiana, and Tennessee. Increases in partial payments to Louisiana workers in sea-food canning were reported, while about half the February payments in Nebraska

were for partial unemployment, mostly in egg and poultry-processing plants.

Reserves for future unemployment benefits continued to rise in most States. In three States, however, February reserves dropped off slightly because of an administrative factor. The second month of each calendar quarter is the low month for collections in several States, while benefit payments have been, generally, maintaining a more nearly constant level. As a result, payments in some months may exceed collections for the same month. For this reason, quarterly figures for both benefits and collections are a better gauge in determining the trends in State funds.

Employment Service*

Labor-Market Developments

In February the civilian labor force of 51.4 million persons was almost half a million larger than in January and, for the first time since 1942, exceeded the figure for the corresponding month of the preceding year. Practically all the increase from the January total consisted of women workers. The number of women workers has increased from January to February each year except 1944, although this year's increase was the largest. The number of men in the civilian labor force has remained about the same for 3 months, as reductions in the groups of military age have been offset by increases in the other age groups.

A rise of 430,000 from January brought the total number of employed persons to 50.6 million, about the same as in December. Nonfarm employment, which accounted for about three-quarters of the increase, numbered 43.8 million persons, the largest figure for any month since August 1944. Farm employment increased by only 100,000 persons—representing an increase of 130,000 women and a decrease of 30,000 men workers.

Unemployment in February was estimated at 880,000 persons. The number of persons who lost their jobs was about the same as the number who found employment, an indication that unemployment is still of a temporary nature.

*Data from Reports and Analysis Service, War Manpower Commission, and from published releases of other Government agencies.

Table 4.—Nonagricultural placements, by State, February 1945

War Manpower Commission region and State	Total	Women	Non-white
Total.....	910,420	273,602	168,395
Region I:			
Connecticut.....	12,089	3,638	703
Maine.....	3,961	1,252	14
Massachusetts.....	24,025	9,595	776
New Hampshire.....	2,088	953	2
Rhode Island.....	6,333	3,083	156
Vermont.....	1,214	348	0
Region II:			
New York.....	87,199	32,334	25,479
Region III:			
Delaware.....	2,310	780	820
New Jersey.....	32,573	11,850	5,352
Pennsylvania.....	59,107	16,758	7,907
Region IV:			
District of Columbia.....	4,419	1,731	2,809
Maryland.....	10,720	3,975	3,244
North Carolina.....	17,659	6,227	5,429
Virginia.....	22,049	8,517	6,824
West Virginia.....	11,126	3,060	531
Region V:			
Kentucky.....	17,890	3,782	2,535
Michigan.....	36,196	6,041	6,102
Ohio.....	56,790	16,250	11,370
Region VI:			
Illinois.....	37,499	13,925	7,793
Indiana.....	25,494	8,954	3,464
Wisconsin.....	18,891	6,903	971
Region VII:			
Alabama.....	20,658	6,312	6,242
Florida.....	17,136	6,237	4,464
Georgia.....	21,654	8,645	5,012
Mississippi.....	8,360	3,240	3,054
South Carolina.....	12,374	5,058	2,986
Tennessee.....	18,912	5,302	3,917
Region VIII:			
Iowa.....	9,872	3,747	315
Minnesota.....	16,294	4,275	247
Nebraska.....	5,854	1,554	363
North Dakota.....	1,102	317	14
South Dakota.....	1,007	313	115
Region IX:			
Arkansas.....	16,122	2,628	3,789
Kansas.....	11,183	3,385	1,271
Missouri.....	23,687	5,197	4,522
Oklahoma.....	12,271	2,643	1,386
Region X:			
Louisiana.....	9,813	1,616	2,899
New Mexico.....	3,741	592	316
Texas.....	57,499	11,587	15,893
Region XI:			
Colorado.....	9,970	2,509	335
Idaho.....	2,244	359	34
Montana.....	2,200	273	61
Utah.....	5,936	1,950	171
Wyoming.....	1,239	221	31
Region XII:			
Arizona.....	5,559	1,649	549
California.....	89,809	24,011	14,598
Nevada.....	2,477	703	307
Oregon.....	11,387	3,010	443
Washington.....	22,399	6,403	2,780

Expanded production schedules for urgently needed war materials will require substantial increases during the 6 months ending July 15 in the number of workers in critical war plants and other industries, such as transportation, logging, and lumbering, that are essential to war production. The War Manpower Commission estimates that, in addition to the 900,000 men who will be withdrawn during that period from the labor force for the armed forces, some 600,000 workers will be needed for these war industries. The extent to which these needs can be met will depend on how effectively and how quickly workers can be shifted from less essential to more essential industrial establishments.

Placement Activities

About 910,000 nonfarm placements were made by the WMC in February, 16 percent fewer than in January but 22 percent more than a year earlier. Short-time placements made up 8 percent of the total, the smallest proportion since last July. Placements of women and nonwhite persons each remained at about the same proportion of the total as for the preceding 8 months.

All but 4 States reported fewer placements than in January. In these 4 States the increases were small, amounting to only 0.7 percent in Delaware and Utah, 2.6 percent in Colorado, and 4.4 percent in Kentucky. The decreases were not

marked; only 5 States reported drops of more than 30 percent and in 21 States the decreases were less than 16 percent.

During February, 85,000 veterans' placements were made, 69,000 of them for veterans of the present war. World War II placements ranged from 4.7 percent of all nonfarm placements in Michigan to 11.2 percent in Louisiana. About one-sixth of these placements were for handicapped men. About half of the 69,000 placements were in manufacturing industries and one-tenth in wholesale and retail trade, with the rest about equally divided among government, service, transportation, and construction industries.

Reports from 15 States show that

53 percent of the discharged veterans enrolled in apprentice training are learning metal trades and 40 percent, the construction industry. About half the men received credit for work experience which they had before they entered the armed forces, and about 11 percent received credit for experience gained in the services.

Veterans' guidance centers have been established in 63 educational institutions in 31 States, and several hundred more centers will be set up as needed. Veterans with service-connected disabilities are sent to these centers for advice in selecting vocational rehabilitation courses. Such services are also available, but not mandatory, for veterans who wish to take educational courses.

Old-Age and Survivors Insurance Under the Social Security Act

Applicants for Account Numbers, 1944, and October-December 1944

By the end of 1944, about 80.5 million social security accounts had been established, and an estimated 72.9 million living persons—68 percent of the estimated population aged 14 and over—held account numbers.

The year 1944 was characterized by a significant decline in the number of applicants for social security accounts. The total of 4.5 million employee accounts established was 2.9 million or 39 percent less than the 1943 total and was the smallest annual total on record. Applications in the fourth quarter of the year were also at a low level; the 936,000 applicants constituted the smallest fourth-quarter total on record and were 32 percent fewer than in the last quarter of 1943. In each quarter of 1944, fewer accounts were established than in the corresponding quarter of any previous year except the second quarters of 1939 and 1940.

Despite the large decline in the total number of applicants, the relative number of male and female ap-

plicants showed a high degree of stability. While accounts were established for 37 percent fewer men than in 1943, the proportion of all applicants who were men changed only from 39 percent in 1943 to 40 percent in 1944. The decline in the number of male applicants began in 1942 and reflects the depletion of the reserve of men without account numbers. Although the number of male applicants under age 20 decreased, the relative decrease was smaller than for those aged 20 and over.

Women applicants outnumbered men in 1944 for the third consecutive year, but the number of accounts established for women in 1944 was

smaller than in any year since 1940. For the first time since 1938, the number of accounts established for girls under 20 failed to exceed that in the preceding year, although this group comprised 46 percent of all women applicants in 1944 as compared with 40 percent in 1943. Accounts established for girls under age 20, however, outnumbered those for boys of that age for the first time on record. This change shows the effect of inductions into the armed forces and the previous entrance into the labor market of boys who would normally have entered in 1944.

Young persons entering the labor force have been an increasing proportion of all applicants. In 1944 for the first time, the total number of all applicants under age 20 exceeded that

Table 1.—Number of applicants for account numbers, by year, 1940–44, and estimated number of account-number holders at end of each year

Year	Applicants for account numbers		Estimated number of living account-number holders 14 years and over as of end of year ¹			
	Total during year	Cumulative total as of end of year	Number	Percent of estimated population 14 years and over ²		
				Total	Male	Female
1940.....	5,227,084	54,225,212	49,900,000	48.7	66.6	30.9
1941.....	6,677,901	60,903,113	56,000,000	54.0	72.0	36.0
1942.....	7,638,175	68,541,288	63,000,000	60.2	77.4	43.2
1943.....	7,425,670	75,966,958	69,400,000	65.7	80.7	50.8
1944.....	4,536,948	80,503,906	72,900,000	68.4	82.3	54.7

¹ Estimated by adjusting the cumulative total of accounts established for duplications as well as for deaths; includes Alaska and Hawaii. Data subject to revision.

² Population 14 years of age and over estimated by U. S. Bureau of the Census; includes Alaska and Hawaii.

Table 2.—Distribution of applicants for account numbers by sex, race, and age group, 1944¹ and October–December 1944²

Age group	Total			Male			Female		
	Total	White ³	Negro	Total	White ³	Negro	Total	White ³	Negro
Calendar year 1944									
Total.....	4,528,578	3,789,839	738,739	1,826,179	1,572,982	253,197	2,702,399	2,216,857	485,542
Under 15.....	496,634	438,881	57,753	341,823	299,001	42,822	154,811	139,880	14,931
15-19.....	1,948,361	1,687,043	261,318	871,179	757,888	113,291	1,077,182	929,155	148,027
20-39.....	1,159,099	847,396	311,703	263,778	206,336	57,442	895,321	641,060	254,261
40-59.....	724,233	631,331	92,902	227,585	198,474	29,111	496,648	432,857	63,791
60-64.....	94,963	88,055	6,908	47,019	42,867	4,152	47,944	45,188	2,756
65-69.....	58,748	54,079	4,669	37,278	33,822	3,456	21,470	20,257	1,213
70 and over.....	45,954	42,851	3,103	37,109	34,460	2,709	8,785	8,391	394
Unknown.....	586	203	383	348	134	214	238	69	169
October–December 1944									
Total.....	935,878	800,746	135,132	350,317	300,829	49,488	585,561	499,917	85,644
Under 15.....	119,737	111,129	8,608	71,293	64,498	6,795	48,444	46,631	1,813
15-19.....	334,334	293,441	40,893	129,957	111,540	18,417	204,377	181,901	22,476
20-39.....	265,598	201,951	63,647	70,973	55,038	15,935	194,625	146,913	47,712
40-59.....	170,160	151,202	18,958	51,255	45,016	6,239	118,905	106,186	12,719
60-64.....	22,344	20,921	1,423	10,486	9,645	841	11,858	11,276	582
65-69.....	13,385	12,469	916	8,206	7,516	690	5,179	4,953	226
70 and over.....	10,205	9,590	615	8,076	7,546	530	2,129	2,044	85
Unknown.....	115	43	72	71	30	41	44	13	31

¹ Excludes 8,370 applicants whose sex and/or race is unknown.² Excludes 1,636 applicants whose sex and/or race is unknown.³ Represents all races other than Negro.Table 3.—Distribution of applicants for account numbers by race, age group, and sex, by year, 1940–44¹

Calendar year	Total			Negro			Under 20 years			20 years and over ²		
	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female
1940.....	5,226,688	3,080,032	2,146,656	630,337	413,984	216,353	2,137,542	1,264,299	873,243	3,089,146	1,815,733	1,273,413
1941.....	6,677,984	3,701,467	2,976,517	736,668	508,979	227,689	3,174,241	1,855,858	1,288,383	3,503,343	1,815,609	1,687,734
1942.....	7,637,416	3,547,376	4,090,040	905,238	457,145	448,093	3,720,663	2,013,325	1,707,338	3,916,753	1,934,051	2,382,702
1943.....	7,415,294	2,901,273	4,514,021	1,058,178	355,341	702,837	3,649,172	1,835,939	1,813,233	3,766,122	1,965,334	2,700,788
1944.....	4,528,578	1,826,179	2,702,399	738,739	253,197	485,542	2,444,995	1,213,002	1,231,993	2,083,583	613,177	1,470,406

¹ Excludes applicants whose sex and/or race is unknown.² Includes a small number of applicants of unknown age.

Table 4.—Distribution of account-number applicants under 20 years of age, by sex and age, 1944 and October–December 1944

Age	1944						October–December 1944					
	Total		Male		Female		Total		Male		Female	
	Number	Percent-age change from 1943	Number	Percent-age change from 1943	Number	Percent-age change from 1943	Number	Percent-age change from Oct.–Dec. 1943	Number	Percent-age change from Oct.–Dec. 1943	Number	Percent-age change from Oct.–Dec. 1943
Under 20, total.....	2,444,995	–33.0	1,213,002	–33.9	1,231,993	–32.1	454,071	–26.8	201,250	–26.1	252,821	–27.3
Under 14.....	178,002	–15.9	142,239	–17.7	35,763	–8.0	42,878	–21.6	32,209	–21.4	10,669	–22.2
14.....	318,632	–14.0	199,584	–18.7	119,048	–4.8	76,859	–17.3	39,084	–21.0	37,775	–13.2
15.....	457,556	–27.8	252,269	–32.3	205,287	–21.5	87,906	–29.4	36,861	–33.3	51,045	–26.5
16.....	630,262	–34.2	304,132	–37.3	326,130	–31.1	116,147	–38.4	46,026	–28.4	70,121	–28.3
17.....	433,656	–40.2	191,386	–43.2	242,270	–37.6	58,289	–31.2	24,672	–27.4	33,617	–33.7
18.....	270,680	–43.9	84,248	–47.6	186,432	–42.1	44,813	–29.5	14,049	–25.3	30,764	–31.3
19.....	156,207	–41.5	39,144	–37.3	117,063	–42.8	27,179	–27.7	8,849	–15.5	18,330	–32.5

of applicants aged 20 and over. The number of applicants aged 60 and over was 43 percent smaller in 1944 than in 1943, mainly because of the large decline in the number of men in this age group applying for account numbers. In each quarter of 1944, the number of applicants aged 60 and over was below the number in the corresponding quarter of the preceding year, reversing the trend which started in the second quarter of 1942.

Although the total number of accounts established for Negroes was 739,000 or 30 percent less than in 1943, Negro applicants comprised 16 percent of all 1944 applicants, the largest proportion on record. Negro men as well as Negro women comprised a larger proportion of all applicants than in 1943. For the women this rise continued the trend which started in 1941, but for the men it was the first time the proportion had increased over the preceding year. The usual seasonal decline in the volume of applications from Negroes occurred in the fourth quarter of 1944,

but was more marked than in earlier years.

Monthly Benefits in Force and Payments Certified, February 1945

Almost 1.2 million monthly benefits were in force at the end of February, at a monthly rate of more than \$21.3 million (table 5). During February the number of benefits in current-payment status reached a million for the first time and comprised the highest proportion of the total in force (86 percent) since March 1943.

Monthly benefits awarded in February numbered 32,900, an increase of 4 percent over the high reached during the preceding month. Increases in the number of primary, child's, widow's current, and parent's benefits contributed to this rise; the number of awards of other types of benefits was about the same as in January.

Monthly benefit certifications during February amounted to \$19.3 million, 3 percent more than in January. Almost \$2.2 million was certified for lump-sum death payments, slightly less than in January.

Changes in Composition of the Older Railroad Labor Force*

The effect of the war in prolonging and extending employment of older workers is particularly evident in the record of operations under the Railroad Retirement Act.

When the Railroad Retirement Act of 1935 was passed, the railroads had an extremely large group of aged employees as compared with other industries, mainly because of special characteristics of the industry, including specialization of many jobs, widespread operation of the seniority system, and incentives provided by pension plans, most of which set the retirement age at 70 years. The first Railroad Retirement Act became effective in June 1936, but uncertainty

*For the full report, see *The Monthly Review*, Railroad Retirement Board, March 1945.

Table 5.—Monthly benefits in force¹ in each payment status,² actions effected during the month, and payments certified, by type of benefit, February 1945

[Current month's data corrected to Mar. 15, 1945]

Status of benefit and action	Total		Primary		Wife's		Child's		Widow's		Widow's current		Parent's	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount
In force as of Jan. 31, 1945.....	1,139,680	\$20,881,434	468,466	\$11,060,852	137,875	\$1,728,906	331,460	\$4,100,917	71,138	\$1,434,584	125,624	\$2,489,351	5,117	\$66,824
Current-payment status.....	978,901	17,794,918	387,869	9,211,988	118,511	1,497,655	305,386	3,783,265	69,884	1,409,364	92,226	1,826,982	5,025	65,664
Deferred-payment status.....	3,831	69,603	2,240	46,751	416	4,875	622	7,613	134	2,930	409	7,315	10	119
Conditional-payment status.....	156,948	3,016,913	78,357	1,902,113	18,948	226,376	25,482	310,039	1,120	22,290	32,989	655,054	82	1,041
Suspended.....	131,963	2,500,996	69,652	1,559,506	15,905	184,717	21,059	254,913	704	13,619	24,574	487,372	69	869
Frozen.....	24,985	515,917	8,705	242,607	3,043	41,659	4,393	55,126	416	8,671	8,415	167,682	13	172
Actions during February 1945:														
Benefits awarded.....	32,907	607,731	11,360	282,591	3,961	51,023	10,396	131,934	2,369	47,567	4,687	92,861	134	1,755
Entitlements terminated.....	8,654	154,661	2,890	68,440	1,438	17,747	2,538	32,896	281	5,644	1,482	29,638	25	296
Net adjustments.....	-369	-3,490	-115	-1,574	-34	-216	-178	-1,327	1	16	-42	-384	-1	-5
In force as of Feb. 28, 1945.....	1,163,564	21,331,014	476,821	11,273,429	140,364	1,761,966	339,140	4,198,628	73,227	1,476,523	128,787	2,552,190	5,225	68,278
Current-payment status.....	1,002,174	18,226,105	396,084	9,418,066	120,954	1,529,809	313,395	3,885,302	71,950	1,450,830	94,659	1,875,000	5,132	67,098
Deferred-payment status.....	3,904	71,534	2,250	47,850	412	5,033	674	8,112	134	2,987	425	7,438	9	114
Conditional-payment status.....	157,486	3,033,875	78,487	1,807,513	18,966	227,124	25,071	305,214	1,145	22,706	33,703	669,782	84	1,066
Suspended.....	132,056	2,508,248	69,726	1,563,015	15,909	184,904	20,660	249,920	711	13,788	24,861	495,726	71	895
Frozen.....	25,428	525,127	8,761	244,496	3,089	42,220	4,411	55,294	432	8,918	8,722	174,026	13	171
Payments certified in February.....		\$21,484,320		9,815,074		1,606,312		4,200,367		1,529,924		2,069,878		72,322

¹ Represents total benefits awarded after adjustment for subsequent changes in number and amount of benefits (see footnote 4) and terminations (see footnote 3), cumulative from January 1940.

² Benefit in current-payment status is subject to no deduction or only to deduction of fixed amount which is less than current month's benefit. Benefit in deferred-payment status is one withheld entirely for a known period. Benefit in conditional-payment status is one withheld entirely for an indefinite period; if previously in current or deferred-payment status, it is a suspended benefit; otherwise it is a frozen benefit.

³ Benefits are terminated when a beneficiary dies or loses entitlement to benefits for the reasons specified in 1939 amendments, sec. 202.

⁴ Adjustments result from operation of maximum and minimum provisions of 1939 amendments, sec. 203 (a) and (b), and from other administrative actions.

⁵ Includes \$2,178,626 paid as lump-sum benefits under 1939 amendments (payable with respect to workers who died after December 1939, if no survivor could be entitled to monthly benefits for month in which worker died) and \$2,817 paid as lump-sum benefits under 1935 act (payable with respect to workers who died prior to January 1940).

concerning its constitutionality kept the majority of eligible persons from retiring until the act of 1937 was passed. Its enactment coincided with the beginning of the 1937 general recession in employment. Nearly half the aged workers in the railroad industry that year quit service to accept annuities.

In 1937, nearly 79,000 persons aged 65 and over were in railroad employment at some time during the year. In 1938, the number dropped below 52,000, and in the following year to the low point just over 46,000. Thereafter, with the beginning of the defense program and the subsequent demands of war, the number of aged workers in railroad employment has risen each year until in 1944 it exceeded that in 1937. Increase in the number of aged workers was not as rapid as the total increase in employees in the years 1939-42, but in the past 2 years the proportion as well as the number of aged has risen.

Rate of Retirement

The immediate retirements in 1937 represented almost half of all employees in the industry in that year at ages 65 and over—38 percent of the employees aged 65-69, 71 percent of those aged 70-74, and 75 percent of those 75 and over. These rates of retirement declined steadily in the next 5 years; in 1942 only 16 percent of the older workers quit service to accept annuities—15 percent of the 65-69 age group, 21 percent of the 70-74-year olds, and 16 percent of those 75 and over. In 1943 and 1944 the rates appeared to increase over 1942. The figures shown for the last 3 years are understated slightly when interpreted as percentages of retirements among employees eligible to retire. Employees in those years included many individuals whose only

Table 6.—Employment status of railroad employees aged 65 and over,¹ by year, 1937-44²

Year	Aged employees in service at some time during year		Withdrawals during year ³				Aged new entrants and re-entrants during year ⁵	Employees who attained age 65 during year	Aged employees in active service at end of year ⁷
	Number	Percent of all employees	Immediate retirements ⁴			Other			
			Number	Percent of all aged employees	Average age ⁶				
1937.....	78, 700	4.0	37, 000	47. 1	69. 1	3, 500			38, 200
1938.....	51, 800	3.4	18, 000	34. 8	68. 0	1, 700	900	12, 700	32, 100
1939.....	46, 100	2.9	12, 900	28. 0	67. 5	1, 200	1, 300	12, 700	31, 900
1940.....	46, 600	2.8	12, 300	26. 5	67. 4	1, 500	1, 300	13, 400	32, 900
1941.....	50, 400	2.5	10, 800	21. 4	67. 4	1, 700	1, 700	15, 800	38, 000
1942.....	56, 600	2.3	8, 800	15. 6	67. 4	2, 100	4, 100	14, 500	45, 700
1943.....	68, 500	2.4	11, 300	16. 4	67. 2	2, 400	6, 200	16, 600	54, 800
1944.....	79, 200	2.6	13, 200	16. 7	(⁹)	3, 200	6, 000	18, 400	62, 800

¹ Employees who have attained age 65 by end of specified year.

² Data for 1943 and 1944 partly estimated and subject to revision.

³ Employees who left service during year and did not return to service before end of following year.

⁴ Employees whose annuities begin to accrue within 6 months after they leave railroad service.

⁵ Average age as of date of last service.

⁶ New entrants are employees with no previous service at least since 1935; the Board's wage records were first established in 1937. Reentrants are employees with no service in the preceding year but with some service before that year and after 1936.

⁷ Employees who were in active service at some time during year, exclusive of those who withdrew.

⁸ Not available.

service was performed after age 65 and who were therefore ineligible for annuities. Even if this factor is taken into account, however, the rates of retirement in the last 3 years would still be the lowest since 1936.

Potential Post-War Retirements

The 63,000 old employees in active service at the end of 1944 and at least some 28,000 former employees who have credits under the system—or rather the individuals who will comprise these groups at the end of the war—represent a potential source of retirements in the immediate post-war period. To them must be added (disregarding for this purpose employees eligible for disability annuities) employees between 60 and 65 years of age who have already acquired 30 years of service and are therefore eligible for reduced age annuities. The number of such individuals in active service was probably between 65,000 and 70,000 at the end of 1944; those no

longer in active service cannot be readily estimated, but almost certainly they are a much smaller group. The great majority of the employees under age 65 are not expected to retire before attaining that age, since ordinarily they comprise less than 10 percent of the nondisability annuitants. Wholesale retirements among the 65-and-over employees, however, are decidedly possible. Whether the rate of retirement will rise merely to the pre-war level, or whether the extreme situation of 1937 will be repeated, will depend on many factors, among which are the level of post-war employment, the rate at which the railroad labor force is reduced, the pressure on older men to retire and make room for younger workers and returning veterans, the desire of the older men to remain at work as long as health permits and the cost of living remains relatively high, and, finally, the possibility of liberalizing amendments to the Railroad Retirement Act.

(Continued from page 3)

plans, improving conditions of labor, and protecting family life.

In a preamble the Declaration termed "international cooperation in the solution of social problems, directed toward the improvement of the material conditions of the working classes of all countries" as an essential objective of the future international organization, and added "to seek the solution of problems arising

from risks inherent in the loss of wages for reasons beyond the control of the worker, integrated programs of social security are necessary, which should include measures for industrial safety and an adequate system of compensation, or be closely related to such measures . . ."

The Declaration specifically recommended "The adoption in all the American republics, as a matter of international public interest, of social

legislation protecting the working population and furnishing guarantees and rights, on a scale not lower than that indicated in the conventions and recommendations of the International Labor Organization . . ." Among the minimum objectives to be secured, the Declaration listed:

The fixing of a minimum living wage, computed in accordance with the living conditions in each country,

(Continued on page 44)

Social and Economic Data

Social Security and Other Income Payments

Income payments to individuals in February amounted to \$13.7 billion, 1.3 percent above the January figure and 5.5 percent above that in February 1944. Social insurance and related payments rose to \$189 million, 1.4 percent of total income payments and an increase of 21 percent from the amount a year earlier.

Public aid remained unchanged at \$80 million. Payments under this program, which have consisted entirely of direct relief payments since July 1943, have varied only slightly during the past 12 months and were only 1.3 percent above the amount in February 1944.

Compensation of employees, because of increasing employment, rose 0.4 percent over the amount in January to \$9.6 billion or 70 percent of all payments in February. Total wages and salaries were 3 percent above the February 1944 level. Mustering-out pay, included in compensation of employees, amounted to \$13.3 million.

Entrepreneurial income of \$2.6 billion was 9.6 percent above the February 1944 amount and 5.2 percent more than in January, mainly as a result of the increase in nonfarm income. Dividends and interest totaled \$980 million in February, 7.8 percent more than a year earlier.

Government allowances to dependents of members of the armed forces were only 0.8 percent above the January level. The \$243 million paid in military allowances in February was, however, 47 percent more than that in the same month of 1944.

Social Insurance and Related Payments

Payments in February under the selected social insurance and related programs shown in table 2 totaled \$111.1 million, slightly less than in January but 30 percent above the amount a year earlier. The programs included in the monthly series represented 59 percent of all social insurance and related payments estimated by the Department of Commerce.

The decrease in total payments reflects the drop of \$1 million in unem-

ployment insurance payments from January, when unemployment reached its seasonal peak. State unemployment compensation in February amounted to \$6.4 million, a decrease of 12 percent from payments in January but 4.5 percent above February 1944 payments. Railroad unemployment benefits of \$98,000 were 12 percent below the January total but 45 percent above the amount for February a year earlier. Payment of approximately \$2.4 million to unemployed veterans under the Servicemen's Readjustment Act brought total disbursements for unemployment benefits to \$8.9 million in February.

Payments under the Rhode Island sickness compensation program, \$290,000 in February, were 9 percent less than in January and 2.4 percent below the amount for February 1944.

Monthly retirement and disability payments under the four programs

shown in table 2 amounted to \$76 million, 31 percent more than in February 1944. Payments under the social security program to retired workers and their families rose to \$11.5 million, 26 percent more than such payments a year earlier. Payments of \$46.5 million to disabled and aged veterans amounted to 1 percent less than in January, when retroactive payments were made to veterans of the Regular Establishment under the Act of December 7, 1944,¹ but were 46 percent more than the amount in February 1944. Over the 12 months, increases in retirement and disability payments amounted to 7 percent under the civil-service program and 5 percent under the railroad program.

Total monthly survivor payments of \$22 million under the three programs were 25 percent more than a year earlier. Payments under the social security program had gone up at

¹ See the *Bulletin*, December 1944, pp. 46-47.

Table 1.—Income payments to individuals, by specified period, 1936-45¹

[In millions; data corrected to Apr. 4, 1945]

Calendar year and month	Total ²	Compensation of employees ³	Entrepreneurial income, net rents, and royalties	Dividends and interest	Public aid		Social insurance and related payments ⁴	Military allowances ⁵
					Work relief ⁶	Direct relief ⁷		
1936.....	\$68,024	\$40,027	\$13,003	\$9,785	\$2,155	\$672	\$955	-----
1937.....	72,365	44,689	14,162	9,891	1,639	836	1,020	-----
1938.....	66,135	40,845	12,369	8,253	2,094	1,008	1,329	-----
1939.....	70,793	43,870	13,441	8,891	1,870	1,071	1,616	-----
1940.....	76,210	48,218	14,313	9,175	1,577	1,098	1,801	-----
1941.....	92,710	60,262	18,599	9,761	1,213	1,112	1,744	-----
1942.....	117,311	79,970	23,933	9,771	896	1,061	1,844	-----
1943.....	143,089	101,813	27,161	10,389	58	939	1,703	1,020
1944.....	156,723	112,043	28,017	11,195	-----	943	1,970	2,548
1944								
February.....	13,007	9,324	2,374	909	-----	79	156	165
March.....	12,981	9,278	2,363	914	-----	79	159	188
April.....	12,932	9,252	2,324	919	-----	78	161	198
May.....	12,992	9,257	2,353	924	-----	78	162	218
June.....	13,088	9,337	2,361	929	-----	78	160	222
July.....	13,054	9,379	2,271	935	-----	78	166	224
August.....	13,096	9,383	2,298	940	-----	78	165	231
September.....	13,011	9,346	2,237	947	-----	78	168	234
October.....	13,178	9,398	2,341	951	-----	79	171	237
November.....	13,291	9,446	2,395	958	-----	80	175	238
December.....	13,376	9,530	2,384	964	-----	80	177	240
1945								
January.....	13,538	9,589	2,472	970	-----	80	185	241
February.....	13,718	9,625	2,601	980	-----	80	189	243

¹ Compensation of employees; entrepreneurial income, net rents, and royalties; and dividends and interest adjusted for seasonal variation.

² Includes veterans' bonus; for totals for years 1936-42 see October 1943 *Bulletin*; February payments were \$400,000.

³ Wage and salary payments minus deductions for employee contributions to social insurance and related programs. Includes industrial pensions, payments to the armed forces, and, beginning with February 1944, mustering-out pay.

⁴ Earnings of persons employed by NYA, WPA, and CCC. Excludes earnings of persons employed on other Federal agency projects financed from emergency funds; such earnings are included in compensation of employees.

⁵ Payments to recipients under 3 special public

assistance programs and general assistance, value of food stamps issued by Food Distribution Administration under food stamp plan, and subsistence payments certified by Farm Security Administration.

⁶ Payments under programs of old-age and survivors insurance, railroad retirement, Federal, State, and local retirement, workmen's compensation, State unemployment compensation, railroad unemployment insurance, veterans' pensions and compensation, and beginning with September 1944, readjustment allowances to unemployed veterans.

⁷ Government portion of payments to dependents of members of the armed forces; portion deducted from military pay included under compensation of employees as part of military pay rolls.

Source: U. S. Department of Commerce, Bureau of Foreign and Domestic Commerce.

the fastest rate, 35 percent as compared with 21 percent for the veterans' program. Much of the increase in payments under the veterans' program is attributable to the increase in number of survivors of World War II veterans. Monthly survivor payments under the Railroad Retirement Act were somewhat less

Table 2.—Selected social insurance and related programs, by specified period, 1936-45

[In thousands; data corrected to Apr. 2, 1945]

Calendar year and month	Total	Retirement, disability, and survivor programs										Unemployment insurance programs					
		Monthly retirement and disability benefits ¹				Survivor benefits						Rhode Island sickness compensation ¹⁰	State unemployment compensation laws ¹⁰	Service-men's Readjustment Act ¹¹	Railroad Unemployment Insurance Act ¹²		
		Social Security Act ³	Railroad Retirement Act ⁴	Civil Service Commission ⁵	Veterans Administration ⁶	Monthly			Lump-sum								
						Social Security Act ³	Railroad Retirement Act ⁴	Veterans Administration ⁷	Social Security Act ³	Railroad Retirement Act ⁴	Civil Service Commission ⁵					Veterans Administration ⁹	
Number of individuals																	
1944																	
February	427.9	159.2	77.5	687.5	363.1	4.2	325.1	12.2	1.3	1.0	3.5	4.6	104.0			1.2	
March	436.0	159.3	77.9	724.6	373.4	4.2	327.0	13.7	1.3	1.0	4.0	4.6	112.2			1.3	
April	442.2	159.5	78.5	759.2	382.1	4.2	329.3	12.3	1.4	1.0	4.1	5.5	83.3			.8	
May	451.0	159.8	78.7	792.8	391.9	4.2	332.5	13.4	1.5	1.3	4.5	8.3	87.1			.5	
June	458.5	159.9	79.2	814.4	399.2	4.2	336.5	12.3	1.3	.5	4.6	8.3	77.9			.4	
July	466.7	160.2	79.7	833.9	403.2	4.3	339.0	11.9	1.4	.9	4.4	7.6	65.7			.6	
August	475.6	160.7	80.1	854.7	411.1	4.3	344.1	14.2	1.7	1.2	4.2	7.0	72.3			.7	
September	482.2	161.2	80.9	875.6	421.8	4.3	350.9	14.2	1.6	1.2	3.7	5.9	63.3	(13)		.6	
October	492.3	162.1	82.2	901.4	434.4	4.3	358.7	15.5	1.6	1.2	3.8	5.6	63.6	(13)		.8	
November	500.6	162.8	83.2	929.6	445.7	4.3	364.7	14.6	1.5	1.5	3.9	5.0	71.4	(13)		.9	
December	508.7	163.5	83.9	955.7	454.3	4.3	372.7	13.0	1.4	1.4	3.6	4.5	74.9	(13)		1.2	
1945																	
January	522.6	163.9	84.8	982.3	467.0	4.3	380.9	15.4	1.5	1.5	3.7	4.4	104.8	(13)		1.9	
February	533.9	164.9	85.4	1,008.1	479.4	4.2	386.3	15.4	1.4	1.5	3.4	4.3	100.1	(13)		1.8	
Payments ¹⁴																	
1936	\$458,896	-----	\$683	\$51,630	\$299,001	-----	\$2	\$99,092	-----	\$4,062	\$3,395	-----	\$131	-----	-----	-----	
1937	501,664	-----	40,001	53,694	299,660	-----	444	96,370	\$1,278	4,401	3,684	-----	2,132	-----	-----	-----	
1938	969,600	-----	96,766	56,118	301,277	-----	1,383	101,492	10,478	\$291	4,604	3,405	-----	393,786	-----	-----	
1939	1,043,089	-----	107,282	58,331	307,512	-----	1,451	109,192	13,896	1,926	4,952	3,553	-----	429,298	-----	\$5,696	
1940	1,188,702	\$21,074	114,166	62,019	317,851	\$7,784	1,448	105,696	11,736	2,497	5,810	3,960	-----	518,700	-----	15,961	
1941	1,085,488	55,141	119,912	64,933	320,561	25,454	1,559	111,799	13,328	3,421	6,170	4,352	-----	344,321	-----	14,537	
1942	1,130,721	80,305	122,806	68,115	325,265	41,702	1,603	111,193	15,038	4,114	6,108	4,120	-----	344,084	-----	6,268	
1943	921,466	97,257	125,795	72,961	331,350	57,763	1,704	116,133	17,830	5,560	7,344	4,350	\$2,890	79,643	-----	917	
1944	1,119,179	119,009	129,707	78,081	456,279	76,942	1,765	144,302	22,146	6,691	7,863	4,759	5,062	62,385	\$3,708	582	
1944																	
February	85,300	9,138	10,665	6,356	31,886	5,763	147	11,638	1,725	531	587	345	297	6,156	-----	67	
March	87,525	9,313	10,629	6,402	32,897	5,944	145	10,932	1,936	487	685	406	319	7,351	-----	79	
April	88,132	9,439	10,707	6,426	35,303	6,035	148	10,897	1,721	554	572	416	395	5,471	-----	48	
May	90,442	9,659	10,741	6,412	36,290	6,209	150	10,960	1,867	586	739	433	595	5,771	-----	31	
June	90,312	9,810	10,712	6,454	36,258	6,316	146	11,457	1,712	518	625	457	596	5,225	-----	26	
July	96,347	9,999	10,738	6,536	41,925	6,364	147	12,589	1,656	357	468	392	547	4,348	-----	21	
August	96,362	10,236	10,843	6,506	40,369	6,549	148	12,547	1,968	661	712	476	502	4,808	-----	38	
September	97,669	10,289	10,889	6,549	41,524	6,775	151	13,004	1,962	602	684	398	422	4,245	134	40	
October	100,088	10,573	11,040	6,659	42,271	7,012	147	13,038	2,138	570	708	386	404	4,350	744	46	
November	102,486	10,770	10,962	6,673	43,548	7,172	147	12,924	2,043	523	827	368	364	4,918	1,177	51	
December	105,175	10,903	11,064	6,788	44,485	7,237	147	13,813	1,836	598	693	365	330	5,192	1,652	70	
1945																	
January	111,961	11,257	11,065	6,856	46,993	7,507	143	13,891	2,189	599	830	370	318	7,290	2,533	111	
February	111,106	11,548	11,184	6,810	46,500	7,755	143	14,100	2,181	534	788	340	290	6,435	2,400	98	

¹ Old-age retirement benefits under all acts, disability retirement benefits under Railroad Retirement and Civil Service Retirement Acts, and disability payments to veterans.

² Number and amount of primary and wife's benefits and benefits to children of primary beneficiaries. Partly estimated.

³ Annuitants and pensioners as of 20th of month; includes disability beneficiaries. Payments represent amounts certified, minus cancellations. Widows receiving both survivor and death-benefit annuities are counted twice, but 2 or more individuals sharing 1 death-benefit annuity are counted as 1. Monthly payments to survivors include annuities to widows under joint and survivor elections and 12-month death-benefit annuities to widows and next of kin.

⁴ Retirement and disability benefits include survivor benefits under joint and survivor elections; not adjusted for suspension of annuities of persons reemployed under National Defense Acts of June 28, 1940, and Jan. 24, 1942. Payments principally from civil-service retirement and disability fund but include also payments from Canal Zone retirement and disability fund and Alaska Railroad retirement and disability fund administered by Civil Service Commission. Monthly retirement payments include accrued annuities to date of death paid to survivors. Refunds to employees leaving the service, which were previously included in this table, will be summarized twice a year in the *Bulletin*.

⁵ Number of veterans receiving pensions and compensation and amount of payments.

⁶ Number and amount of widow's, widow's current, parent's, and child's benefits. Partly estimated.

⁷ Number of widows, parents, and children of deceased veterans on whose account payments were made and amount of payments.

⁸ Number and amount of survivor payments with respect to deaths of covered workers under both the 1935 and 1939 acts, and, for the period January 1937-August 1939, payments to covered workers at age 65 totaling \$9.9 million, which are not survivor payments.

⁹ Number and amount of payments for burial of deceased veterans.

¹⁰ Number represents average weekly number of benefit recipients. Annual amounts under State unemployment compensation laws adjusted for voided benefit checks; monthly amounts unadjusted.

¹¹ Readjustment allowances to unemployed veterans.

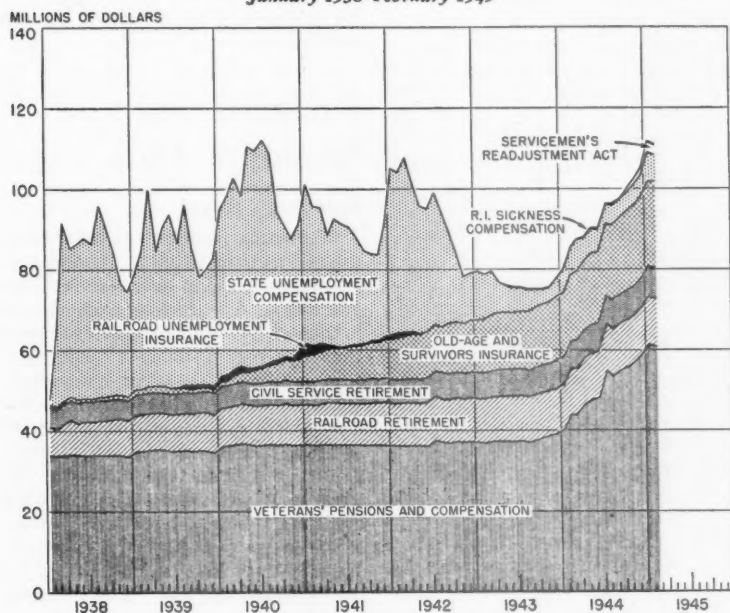
¹² Number represents average number of persons receiving benefits for unemployment in a 14-day registration period. Annual amounts adjusted for underpayments and recoveries of overpayments; monthly figures unadjusted.

¹³ Data not available.

¹⁴ Data represent payments to individuals and exclude cost of administration. Payments under the Social Security and Railroad Retirement Acts (including retroactive payments) and payments under Railroad Unemployment Insurance Act are amounts certified; payments under Civil Service Commission and Veterans Administration are disbursements minus cancellations; Rhode Island sickness compensation and State unemployment insurance payments are checks issued by State agencies.

¹⁵ Preliminary estimate.

Chart 1.—Payments under selected social insurance and related programs,
January 1938–February 1945



than payments in February 1944.

Total lump-sum payments of \$3.8 million, of which slightly more than half was paid under the Social Security Act, were 21 percent more than a year earlier.

Approximately 1.8 million individuals received monthly retirement and disability benefits totaling \$76 million under the four programs. Monthly survivor payments of \$22 million were made to 870,000 survivors, and 22,000 survivors received lump-sum payments of \$3.8 million. Unemployment insurance benefits of approximately \$6.5 million under the State and railroad unemployment insurance programs were paid to 102,000 persons, and Rhode Island sickness compensation of \$290,000 to 4,300 beneficiaries.

The 1 million beneficiaries receiving monthly retirement or survivor payments under the Social Security Act in February represent about 628,000 families. The 254,500 monthly beneficiaries receiving monthly retirement, disability, or survivor payments under the railroad and civil-service retirement programs equal approximately the number of families receiving benefits, since these programs do not provide supplementary payments for wives and children of retired or disabled workers and since monthly benefits are not paid to more

than one survivor per deceased annuitant. The 1.4 million monthly beneficiaries under the veterans' program represent at least 1.3 million families.

Employment Covered by Social Insurance

A question often asked is: How many workers are covered by old-age and survivors insurance or by unemployment compensation? The answer to this question must vary. It depends on the time element involved. To one person, the number covered by old-age and survivors insurance may mean the number in covered jobs on a given day. To another it may mean the number who have had some covered employment in the course of a year.

The number of workers in covered employment in several different time periods is known or can be estimated. Such figures have been brought together in table 3. The estimates for 1944 are preliminary and subject to revision. Estimates for the first 6 months of 1945 and for subsequent periods will be presented in later issues of the BULLETIN.

The estimates in table 3 are based on data derived from different types of reporting. The first set of figures, showing employment and unemployment in an average week, comes from a sample population census. In these figures an individual is counted only once, even though he holds two or more jobs concurrently or during the course of the week. A special survey made in January 1943 showed that at that time about 1.3 million persons were holding two or more jobs concurrently in the survey week. A worker is counted as employed even if he reports that he has worked less than a full week; it is recognized that persons with incidental employment only may report themselves as non-workers. If a worker has more than one job during the week, his job in the major industry in terms of hours worked is the one entered on the report. The employment figures obtained by this method are the nearest approximation obtainable from any series of employment data of the number of persons at work on an average day.

The second set of figures, on employment in an average pay period, is based on reports made by employers. They show the number of persons on the employer's pay roll in pay periods (weekly, semimonthly, monthly, or any other pay periods used by the employer) ending nearest the 15th or the end of the month. An individual who works for more than one employer in the course of a pay period will be reported as an employee by each of the employers. Unlike the population estimates, therefore, these figures reflect labor turn-over and dual job holding.

The estimates of persons covered by old-age and survivors insurance during a quarter and during a year are derived from the quarterly reports of employers subject to old-age and survivors insurance taxes. These reports give the name of each worker and the amount of taxable wages paid to him. Thus it is possible to obtain a count of the total number of workers who have been in covered jobs during a quarter. A coverage figure for a period as long as 3 months will include a considerable number of workers who in some weeks during the 3 months were in noncovered employment or were unemployed or were temporarily out of the labor market. Thus such a figure is inflated by sea-

Table 3.—*Estimated employment covered by old-age and survivors insurance and by unemployment compensation, and employment in selected industries, in specified time periods, 1940-44*

[In millions]

Type of employment	1940	1941	1942	1943	1944
1. Employment in an average week:					
Civilian labor force.....	54.0	54.1	54.5	53.5	52.6
Unemployed.....	7.8	6.0	2.4	1.1	1.8
Employed, total.....	46.2	48.1	52.1	52.4	51.8
Covered by old-age and survivors insurance.....	24.0	27.5	30.0	30.8	30.4
Covered by unemployment compensation.....	22.0	25.5	28.0	29.5	29.0
Not covered by old-age and survivors insurance, total.....	22.2	21.6	22.1	21.6	21.4
Railroad.....	1.1	1.2	1.3	1.4	1.4
Federal Government.....	.8	1.2	2.0	2.7	2.7
State and local government.....	3.1	3.1	3.0	2.9	2.9
Agriculture.....	9.2	8.6	8.6	8.3	8.1
Nonagricultural self-employed.....	5.4	5.2	5.1	4.5	4.5
Domestic service, nonprofit, etc.....	2.6	2.3	2.1	1.8	1.8
2. Employment in average pay period:					
Covered by unemployment compensation.....	23.1	26.8	29.3	30.8	30.0
Railroad.....	1.2	1.3	1.5	1.6	1.6
Federal Government.....	.9	1.3	2.1	2.8	2.8
State and local government.....	3.2	3.2	3.1	3.0	3.0
3. Employment during a quarter (average for year):					
Covered by old-age and survivors insurance.....	28.9	32.9	36.0	37.4	37.0
4. Employment during a year:					
Covered by old-age and survivors insurance.....	35.4	41.0	46.9	48.6	(1)
Covered by unemployment compensation.....	31.9	37.6	43.3	44.9	(1)
Railroad.....	1.7	2.0	2.5	2.8	3.0
5. Persons with insured status for old-age and survivors insurance: ²					
Estimated number of living persons with wage credits.....	44.8	50.9	58.7	65.3	70.6
Fully insured persons.....	24.2	25.8	28.1	30.2	31.9
Currently insured persons only.....	.7	1.7	3.1	5.1	7.5
Uninsured persons.....	19.9	23.4	27.5	31.0	31.3

¹ Not available.

² Figures in each column for January 1 of following year.

Source: Data on civilian labor force: unemployed and total employed, from *Monthly Report on the Labor Force*, Bureau of the Census; breakdown of employment, covered and not covered, in average week, estimated by Division of Coordination Studies, Bureau of Research and Statistics. Data on employment in average pay period and during year covered by unemployment compensation, from Bu-

reau of Employment Security. Data on employment during quarter and during year covered by old-age and survivors insurance and on persons with insured status, from Bureau of Old-Age and Survivors Insurance. Data on railroad employment in average pay period and during year, from Railroad Retirement Board. Data on Federal, State, and local government employment in average pay period, from Bureau of Labor Statistics. 1944 estimates of covered employment are preliminary.

sonal employment as well as by labor turn-over and dual job holding. In 1943, for instance, about 37 million persons on the average were employed in jobs covered by old-age and survivors insurance at some time during a quarter, as compared with about 31 million in an average week.

The number of persons who work in a specified industry or group of industries during the course of a year will be larger than the number so employed during a quarter. The Bureau of Old-Age and Survivors Insurance summarizes each year, for accounting purposes, the number of workers who have earned wage credits under the program—that is, who have been in covered employment at some time during the year. During 1943, 48 million persons had some employment covered by old-age and survivors insurance. Similar figures are available from the operations of the Railroad Retirement Board for employment covered by the railroad retirement and unemployment insurance programs. Estimates are also avail-

able of the total number of workers with some employment covered by unemployment compensation during the year. There is at present no source of information on the total number of persons who have some employment in the course of a year. It is known that a substantial number of persons shift between worker and nonworker status—students who work during vacations, married women who work for a season of the year only. During the war, inductions into the armed forces and the recruitment of persons normally nonworkers to take their places have further increased the total number of persons in civilian employment at some time in a year as compared with the average number employed in a week.

For purposes of comparison, the table shows also the estimated number of living persons with any wage credits for old-age and survivors insurance—that is, the total number of persons who have been in covered employment at some time since 1936—and the number who, as of January 1

of each year, had sufficient credits to meet the requirements for fully insured status or for currently insured status only.¹

Financial and Economic Data

Economic Indexes

Production reached its peak during the last quarter of 1943, economic indexes indicate, and has since declined gradually. The decline from month to month, however, has been so small that the year 1944 as a whole was characterized as one of high economic stability and record production volume, with the gross national product reaching almost \$200 billion, \$10 billion more than in 1943. The Federal Reserve Board unadjusted index of industrial production reached its peak of 249 in October 1943, fell to 240 in January 1944 and further to 230 in December, a decline of 4 percent from the beginning to the end of the year. Quarterly averages for production and employment appear in table 4.

With respect to employment, the Bureau of Labor Statistics unadjusted index of weekly wage earners followed a similar pattern; from a peak of 179 in November 1943, it dropped to 175 in January 1944 and then fell steadily to 161 in December. Though month-by-month declines were small, the drop during the year was 8 percent. November 1943 was also the highest point for the index of weekly wages. This index reached 354 in November, dropped to 345 in January and to 332 in December 1944, a decline of 4 percent during the year.

Social Insurance Contributions

As foreshadowed by the drop of the economic indexes in the fourth quarter of 1944, Federal insurance contributions and Federal unemployment tax collections in both January and February 1945 were below those in January and February 1944.

Old-age and survivors insurance.—February Federal insurance contri-

¹ For further discussion of the number and characteristics of workers with insured status, see Immerwahr, George E., and Mehlman, Harry, "Old-Age and Survivors Insurance: Insured Workers and Their Representation in Claims," *Social Security Bulletin*, Vol. 7, No. 5 (May 1944), p. 9.

butions were 12 percent below the amount in February 1944, a drop sufficiently large to reverse the upward trend and cause total collections in the first 8 months of the current fiscal year to fall below those in the corresponding period of 1943-44. Total contributions during the first 7 months of the current fiscal year, however, were above contributions in the first 7 months of 1943-44. January-February contributions of \$255 million were 21 percent below those in the first 2 months of the preceding quarter; this decline was presumably due to the operation of the \$3,000 limit on taxable wages.

Unemployment compensation.—The major portion of the Federal unemployment tax for the preceding calendar year is collected during February. February 1945 collections of \$114 million plus January's \$13 million were 2 percent below the total for the first 2 months of 1944. Since collections in the first 2 months in each of the last few years have amounted to about 70 percent of the year's total it may be estimated that collections for 1945 will be slightly less than those in 1944, in contrast to the upward trend of the past few years.

State unemployment contributions of \$259 million in January and February were 17 percent below those of the first 2 months of the previous quarter, chiefly because of the operation of the \$3,000 limit on taxable wages, and 15 percent below contributions a year earlier.

Grants to States and Administrative Expenses

Following the usual quarterly pattern, February grants to States of \$28 million for the special types of public assistance and for unemployment compensation administration (table 8) were less than in January. February grants for old-age assistance amounted to \$22 million, more than three-fourths of the total. For January and February combined, grants to States totaled \$74 million, 10 percent less than in January and February 1944; the reduction was due primarily to smaller grants for old-age assistance and unemployment compensation administration. Total grants to States in the first 8 months of 1944-45 were 8 percent below those of the corresponding period in the preceding fiscal year, with all four

programs sharing in the decline. During the same period, total administrative expenses in connection with programs administered by the Board declined 3 percent. The only substantial increase in expenditures during the period occurred in benefit payments for old-age and survivors insurance, which rose 28 percent.

Status of Trust Accounts

Old-age and survivors insurance trust fund.—January and February collections of \$255 million under the Federal Insurance Contributions Act appropriated to the fund indicate that total collections for the quarter will be about 20 percent less than in the preceding quarter and about 10 percent below the amount collected in the first quarter of 1944. Conversely, February benefit payments, based on checks cashed and returned to the Treasury, although slightly below the \$20-million peak in January, were 24 percent more than in February a year ago. Benefit payments have been going up steadily since the beginning of the program, but the rate is accelerating in the current fiscal year.

No investments were made in February, and the entire excess of \$200 million of receipts over expenditures went into the fund's unexpended balances. Total assets rose to \$6,221 million, an increase of 3 percent over the previous month and 23 percent more than the amount a year earlier. The average rate of interest on investments held by the fund remained at the January level of 2.196 percent, as compared with 2.228 percent at the end of February 1944.

Unemployment trust fund.—February deposits of \$212 million by States in the Federal unemployment trust fund brought total January and February deposits to \$255 million, 18 percent less than in the first 2 months of the preceding quarter and 15 percent less than in January-February 1944. Deposits for the first 8 months of this fiscal year were about 8 percent less than deposits for the first 8 months of 1943-44; withdrawals for benefit payments, on the other hand, rose 16 percent. Withdrawals have been increasing since July 1944, when they totaled \$3.9 million. February withdrawals of \$6.8 million were 11 percent above the amount in February 1944.

Securities acquired by the fund in February, consisting of \$220 million

of special certificates of indebtedness bearing the interest rate of 1½ percent, raised total assets of the fund to \$6,880 million, 3 percent above the preceding month's and 27 percent above those for the same month a year ago. Investments held by the fund at the end of February bore the average interest rate of 1.912 percent, as compared with 1.914 percent in January and 1.888 percent a year earlier.

Public debt.—Combined investments of both the old-age and survivors insurance and unemployment trust funds totaled \$12.8 billion at the end of February, absorbing 5.5 percent of the interest-bearing public debt, about the same percentage as in January 1945 or in February 1944. The computed average interest rate on the interest-bearing public debt rose slightly to 1.926 percent at the end of February, as compared with 1.951 percent a year earlier.

Table 4.—Average indexes of industrial production, wage earners, wage-earner pay rolls, and Federal insurance contributions, by quarter, 1940-44

[Corrected to Mar. 31, 1945]

Year and quarter	Index of industrial production ¹	Index of wage earners ²	Index of wage-earner pay rolls ³	Federal insurance contributions ⁴ [in millions]
1940				
First....	115	104.0	107.5	161.2
Second....	118	102.4	106.4	164.7
Third....	127	107.7	114.6	162.8
Fourth....	138	116.1	129.5	170.9
1941				
First....	144	119.9	139.6	192.2
Second....	158	128.8	150.7	207.7
Third....	170	138.4	178.5	218.5
Fourth....	175	141.4	191.3	222.8
1942				
First....	180	142.5	205.6	246.7
Second....	191	149.0	229.6	264.5
Third....	206	158.6	256.4	278.5
Fourth....	220	166.0	286.2	276.7
1943				
First....	228	171.6	307.7	310.7
Second....	238	174.6	326.5	333.2
Third....	245	178.1	337.5	318.8
Fourth....	245	178.6	349.9	290.5
1944				
First....	239	173.5	343.7	349.6
Second....	236	167.1	334.6	348.8
Third....	234	164.8	328.7	328.7
Fourth....	232	161.1	329.6	272.9

¹ Based on unadjusted monthly index of Federal Reserve Board; 1935-39=100.

² Based on BLS unadjusted monthly index of weekly wages and wage-earner pay rolls in manufacturing industries; 1939=100. Beginning with January 1942, figures have been revised.

³ Contributions shown for quarter are based on wages earned in that quarter, but contributions are actually collected in following quarter.

Table 5.—Status of the old-age and survivors insurance trust fund, by specified period, 1937-45¹

[In thousands]

Period	Receipts		Expenditures		Assets			
	Appropriations to trust fund ²	Interest received ³	Benefit payments ⁴	Reimbursement for administrative expenses ⁵	Net total of U. S. Government securities acquired ⁶	Cash with disbursing officer at end of period	Credit of fund account at end of period	Total assets at end of period
Cumulative, January 1937-February 1945.....	\$6,642,294	\$415,845	\$693,713	\$143,527	\$5,953,834	\$32,936	\$234,129	\$6,220,899
Fiscal year:								
1942-43.....	1,130,495	87,403	149,304	27,492	1,035,200	24,495	6,966	4,268,296
1943-44.....	1,292,122	103,177	184,597	32,607	1,172,036	21,384	16,136	5,446,391
8 months ended:								
February 1943.....	816,893	2,245	94,522	17,984	430,800	25,434	275,958	3,933,827
February 1944.....	938,095	2,795	117,192	20,331	631,036	31,114	172,679	5,071,663
February 1945.....	930,917	11,186	150,061	17,533	544,964	32,936	234,129	6,220,899
1944								
February.....	252,219	-----	15,693	2,002	100,036	31,114	172,679	5,071,663
March.....	4,404	554	16,615	2,002	144,000	28,479	17,655	5,088,004
April.....	35,136	-----	16,494	3,424	-----	23,977	37,374	5,073,221
May.....	309,381	-----	17,126	3,424	-----	22,838	327,343	5,362,051
June.....	5,107	99,828	17,171	3,424	397,000	21,384	16,136	5,446,391
July.....	51,751	4	16,630	2,437	-12,000	24,747	57,462	5,479,079
August.....	293,279	-----	18,118	2,437	-----	25,620	329,312	5,751,802
September.....	3,814	3,714	18,402	2,437	279,964	26,898	34,760	5,738,492
October.....	55,427	-----	19,204	1,869	-----	26,686	69,326	5,772,846
November.....	267,340	-----	18,966	1,869	-----	28,680	313,806	6,019,320
December.....	3,974	2,530	19,248	1,869	290,000	29,418	5,455	6,004,707
1945								
January.....	33,275	4,938	20,032	2,307	-13,000	30,376	36,371	6,020,582
February.....	222,056	-----	19,431	2,307	-----	32,936	234,129	6,220,899

¹ Data for years prior to 1942 will be shown only semiannually: for fiscal years in August, for calendar years in February.² Equals taxes collected under Federal Insurance Contributions Act.³ Interest on investments held is credited annually in June; on investments redeemed, in month of redemption.⁴ Based on checks cashed and returned to Treasury.⁵ Figures for October-December 1944, in addition to usual bookkeeping adjustment for April-June quarter, include additional bookkeeping adjustments for expenditures for fiscal years 1941-42, 1942-43, and 1943-44. Figures in table do not reflect actual outlays in the respective years.⁶ Minus figures represent net total of notes redeemed; includes accrued interest.

Source: Daily Statement of the U. S. Treasury.

Table 6.—Status of the unemployment trust fund, by specified period, 1936-45¹

[In thousands]

Period	Total assets at end of period	Net total of Treasury certificates and bonds acquired ²	Unexpended balance at end of period	State accounts				Railroad unemployment insurance account			
				Deposits	Interest credited	Withdrawals ³	Balance at end of period	Deposits	Interest credited	Benefit payments	Balance at end of period ⁴
Cumulative, January 1936-February 1945.....	\$6,880,453	\$6,873,000	\$7,453	\$8,198,706	\$407,599	\$2,299,090	\$6,307,238	\$444,819	\$28,468	\$44,256	\$573,214
Fiscal year:											
1942-43.....	4,372,460	1,228,000	5,460	1,217,686	75,563	174,334	4,002,570	92,441	6,861	1,834	369,890
1943-44.....	5,878,778	1,503,000	8,778	1,349,307	88,526	60,000	5,380,403	109,375	8,001	591	498,375
8 months ended:											
February 1943.....	3,977,252	831,000	7,252	882,118	34,800	143,452	3,657,119	45,974	3,174	1,438	320,129
February 1944.....	5,435,081	1,060,000	8,081	990,339	41,101	35,302	4,998,707	51,446	3,722	386	436,373
February 1945.....	6,880,453	1,003,000	7,453	914,364	53,257	40,809	6,307,238	61,141	4,922	423	573,214
1944											
February.....	5,435,081	261,000	8,081	263,181	-----	6,112	4,998,707	674	-----	74	436,373
March.....	5,471,327	39,000	5,327	17,603	-----	6,916	5,009,396	25,631	-----	73	461,931
April.....	5,508,478	28,000	14,478	43,714	-----	6,567	5,046,543	71	-----	67	461,935
May.....	5,790,782	280,000	6,782	277,219	-----	5,752	5,318,010	877	-----	40	462,772
June.....	5,878,778	96,000	8,778	20,431	47,425	5,463	5,380,403	31,349	4,279	25	498,375
July.....	5,925,618	43,000	12,618	50,628	-----	3,931	5,427,100	56	-----	24	498,518
August.....	6,215,750	298,000	4,750	284,766	-----	4,550	5,707,316	984	-----	17	508,433
September.....	6,248,160	34,000	3,160	6,878	-----	4,216	5,709,979	20,795	-----	48	538,180
October.....	6,301,412	23,000	33,412	57,245	756	4,882	5,763,098	43	09	45	538,313
November.....	6,550,190	278,000	4,190	252,416	-----	4,593	6,010,922	999	-----	45	539,268
December.....	6,583,434	33,000	4,434	7,071	2,336	4,910	6,015,418	28,585	216	53	568,016
1945											
January.....	6,674,828	74,000	21,828	43,537	50,165	6,970	6,102,174	27	4,637	100	572,654
February.....	6,880,453	220,000	7,453	211,822	-----	6,758	6,307,238	652	-----	92	573,214

¹ Data for years prior to 1942 will be shown only semiannually: for fiscal years in August, for calendar years in February.² Includes accrued interest.³ Includes transfers from State accounts to railroad unemployment insurance account amounting to \$106,176,000, of which \$111,000 was transferred from Kentucky account in July, \$1,000 in September, \$66,000 in October 1944, and \$97,000 in January 1945.⁴ Includes transfers from railroad unemployment insurance administration fund amounting to \$38,030,850.

Source: Daily Statement of the U. S. Treasury.

Table 7.—Social insurance taxes under selected programs, by specified period, 1942-45¹

[In thousands]

Period	Old-age and survivors insurance		Unemployment insurance		
	Federal insurance contributions	Taxes on carriers and their employees	State unemployment contributions ²	Federal unemployment taxes	Railroad unemployment insurance contributions
Fiscal year:					
1942-43.....	\$1,130,495	\$208,795	\$1,217,737	\$158,361	\$102,710
1943-44.....	1,232,122	267,065	1,353,272	179,909	121,518
8 months ended:					
February 1943.....	816,893	109,543	886,552	137,083	51,081
February 1944.....	938,095	129,819	996,432	157,746	57,154
February 1945.....	930,917	149,461	915,460	158,058	67,934
1944					
February.....	252,219	4,055	175,258	116,529	750
March.....	4,404	58,581	11,385	3,559	28,479
April.....	35,136	354	130,189	2,265	78
May.....	309,381	13,434	175,229	14,250	975
June.....	5,107	64,877	20,037	1,089	34,832
July.....	51,751	1,395	172,482	2,948	57
August.....	293,279	14,182	160,332	11,727	1,099
September.....	3,814	56,936	4,369	666	33,165
October.....	55,427	1,464	169,221	3,160	48
November.....	27,349	14,414	143,790	11,154	1,110
December.....	3,974	55,235	5,899	919	31,761
1945					
January.....	33,275	1,156	132,093	13,222	31
February.....	222,056	4,679	127,303	114,251	724

¹ Data for years prior to 1942 will be shown only semiannually; for fiscal years in August, for calendar years in February.

² Represents contributions plus penalties and interest collected from employers and contributions from employees, deposited in State clearing accounts. Data reported by State agencies, corrected to Mar. 26, 1945.

Source: *Daily Statement of the U. S. Treasury*, unless otherwise noted.

Table 8.—Federal appropriations and expenditures under programs¹ administered by the Social Security Board, by specified period, 1943-45

[In thousands]

Item	Fiscal year 1943-44		Fiscal year 1944-45	
	Appropriations	Expenditures through February ²	Appropriations	Expenditures through February ²
Total.....	\$660,072	\$456,298	\$700,336	\$463,669
Administrative expenses.....	25,701	20,620	25,386	19,932
Federal Security Agency, Social Security Board ⁴	25,451	15,638	25,221	14,988
Department of Commerce, Bureau of the Census.....	250	181	165	75
Department of the Treasury ⁵	(⁶)	4,803	(⁶)	4,869
Grants to States.....	449,773	318,486	436,950	293,676
Old-age assistance.....	734,350	242,244		223,393
Aid to dependent children.....	56,885	40,616	403,600	36,779
Aid to the blind.....	710,115	7,064		6,891
Unemployment compensation administration ⁷	39,423	28,563	33,350	26,615
Benefit payments, old-age and survivors insurance.....	184,597	117,192	238,000	150,061

¹ Excludes war emergency programs.

² Based on checks cashed and returned to Treasury.

³ See footnotes 6-10.

⁴ Represents appropriations and expenditures for salaries and some miscellaneous items; excludes other miscellaneous expenditures of the Board made from Federal Security Agency appropriations. Includes amounts expended by the Board in administration of old-age and survivors insurance, reimbursed from old-age and survivors insurance trust fund to general fund of Treasury.

⁵ Represents amounts expended by Treasury in administration of title II of Social Security Act and Federal Insurance Contributions Act, reimbursed from old-age and survivors insurance trust fund to general fund of Treasury.

⁶ Not available because not separated from appropriations for other purposes.

⁷ Reflects transfers among the 3 programs.

⁸ Appropriations include \$4,095,411 for 1943-44 and \$4,350,055 for 1944-45 transferred from War Manpower Commission as reimbursement for expenditures for employment office facilities and services.

⁹ Represents actual benefit payments during 1943-44 from old-age and survivors insurance trust fund.

¹⁰ Represents estimated expenditures during 1944-45 from old-age and survivors insurance trust fund shown in 1945-46 budget.

Source: Various Federal appropriation acts and 1945-46 budget (appropriations); *Daily Statement of the U. S. Treasury* (expenditures).

Recent Publications in the Field of Social Security*

War and Social Services

COCKERILL, ELEANOR. "Medical Social Work in the Vocational Rehabilitation Program." *Smith College Studies in Social Work*, Northampton, Mass., Vol. 15, Dec. 1944, pp. 83-100. 50 cents.

Discussion of the nature of the

*The inclusion of prices of publications in this list is intended as a service to the reader, but any orders must be directed to publishers or booksellers and not to the Social Security Board or the Federal Security Agency. Federal publications for which prices are listed should be ordered from the Superintendent of Documents, Government Printing Office, Washington 25, D. C.

services which medical social workers should be prepared to give.

HINES, FRANK T. "Demobilization and the Federal Program of Veteran Aid." *Public Administration Review*, Chicago, Vol. 5, Winter 1945, pp. 73-80. \$1.50.

Outlines the Federal laws and the work of the agencies concerned with the readjustment of veterans.

KODINSKY, HARRY. "Survey of Returning Vets." *Manpower Review*, Washington, Vol. 12, Feb. 1945, pp. 3-5. 10 cents.

A survey of discharged servicemen in the Pittsburgh area, showing cause of discharge, occupation, education, and other data helpful in planning a community program.

NATIONAL INDUSTRIAL CONFERENCE BOARD. *Reemployment of Veterans*. N. Y.: The Board, 1945. 43 pp. (Studies in Personnel Policy No. 69.)

Brief discussion of general policies to be followed in reemployment and rehabilitation programs, with outlines of plans now in operation in 11 companies and 1 community.

"Postwar Jobs for Veterans." *The Annals of the American Academy of Political and Social Sciences*, Philadelphia, Vol. 238, Mar. 1945, pp. 1-187. \$2.

Twenty-three papers grouped under the headings: Dimensions of the Problem, Government Measures to Assist the Veteran, Special Problems in the Reabsorption of Veterans, and The Need for a Positive Program.

UNITED NATIONS RELIEF AND REHABILITATION ADMINISTRATION. *Journal, Second Session of the Council and Related Documents of the First Ses-*

sion, Montreal, Canada, September 15-27, 1944. Washington, 1944. 182 pp. \$2.

U. S. OFFICE OF VOCATIONAL REHABILITATION. *Charting the Way in Vocational Rehabilitation, A Progress Report*. Washington, 1944. 17 pp. Processed.

Reviews the administrative organization of the Office and the work of the first year.

General

ALTMAYER, ARTHUR J. *Goals for Social Security; a Radio Address . . . Delivered over Columbia Network at 1:30 P. M., Sunday, February 11, 1945, at Washington*. Washington, 1945. 4 pp. Processed.

BERNARDES, ARTHUR DA SILVA. "Legislação Brasileira de Previdência Social." *Boletim do Ministerio do Trabalho Industria e Comercio*, Rio de Janeiro, Sept. 1944, pp. 335-344. A list of the laws pertaining to social insurance in Brazil and the text of Decree No. 4.682 of 1923 establishing the insurance fund for railroad workers.

CZECHOSLOVAK REPUBLIC. MINISTRY OF SOCIAL WELFARE. *Social Insurance in the Czechoslovak Republic*. London: The Ministry, 1944. 6 pp. Processed.

Outlines the provisions for health, invalidity, old-age, widows', and orphans' insurance.

DUNPHY, CORNELIA. "Where All That Money Goes." *Survey Midmonthly*, N. Y., Vol. 81, Feb. 1945, pp. 35-37. 30 cents.

Analyzes the family budgets of low or moderate income groups and points out the gaps that still exist despite high wartime wages.

GOLDENWEISER, E. A. "Postwar Problems and Policies." *Federal Reserve Bulletin*, Washington, Vol. 31, Feb. 1945, pp. 112-121. 20 cents.

Points out the objectives to be considered in establishing a sound post-war economy.

GONZALEZ GALE, JOSE. *Nuestras Cajas de Jubilaciones*. Rosario, Argentina, 1944. 19 pp.

An analysis of the National Pension Funds of Argentina.

INSURANCE ECONOMICS SOCIETY OF AMERICA. *Close-Ups of Compulsory Social Security*. Chicago: The Society, 1944 (?). 15 pp.

Three articles by E. H. O'Connor, Gerhard Hirschfeld, and Ernest V. Sullivan dealing with the cost of an expanded social security program.

"Insurance Policy." *Parliamentary Debates*. House of Lords, London, Vol. 134, 15th Feb., 1945, columns 1061-1091. 6d.

General debate on Command Papers 6550 and 6551 dealing with social insurance and workmen's compensation.

MARTIN, LILLIEN. *A Handbook for Old Age Counsellors*. San Francisco: Geertz Printing Company, 1944. 84 pp.

MURRAY, PHILIP. C. I. O. *Re-employment Plan*. Washington: CIO Department of Research and Education, 1945. 29 pp. (CIO Department of Research and Education, Publication No. 116.) 15 cents.

A seven-point program for industrial production and employment.

"Pending Railroad Social Security Proposals." *American Economic Security*, Washington, Vol. 2, Jan.-Feb. 1945, pp. 3-7. \$1 a year.

Summarizes the provisions of S. 293 and H. R. 1362.

POLISH GOVERNMENT INFORMATION CENTER. *Poland's Social Progress*. N. Y.: The Center, 1944. 32 pp. (Polish Facts and Figures, No. 12, Nov. 25, 1944.) 10 cents.

Brief descriptions of social insurance and labor legislation in pre-war Poland.

POLITICAL AND ECONOMIC PLANNING. *Government Information Services*. London, P E P; New York: New Republic. 1945. 31 pp. (Planning, No. 230.) 25 cents.

The peacetime functions of the official information services.

RUSSELL SAGE FOUNDATION. *Social Work Yearbook 1945, A Description of Activities in Social Work and in Related Fields*. Eighth issue. Edited by Russell H. Kurtz. N. Y.: The Foundation, 1945. 620 pp. \$3.25.

Part One consists of 75 signed articles, supplemented by reading lists, giving a cross-section view of organization and practice in the various fields as they appeared in 1944. Part Two consists of a directory of 472 national agencies, governmental and voluntary, whose programs are integral with or related to the subject matter of Part One.

SLICHTER, SUMNER H. *The Postwar Outlook for Business and Labor*. N. Y.: Committee for Economic Development, 1944. 11 pp.

Probable trends in employment and demand for consumer and capital goods during the transition and immediate post-war periods.

Social Security; A Statement by the Social Security Committees of American Life Convention, Life Insurance Association of America, The National Association of Life Underwriters. N. Y., 1945. 57 pp. Analyzes the present system of social security and makes recommen-

dations concerning the level, computation, and scope of benefits, and the financing of old-age and survivors insurance and unemployment compensation; opposes the federalization of unemployment compensation but considers the advisability of introducing a Federal system of disability and health insurance.

U. S. RAILROAD RETIREMENT BOARD. *Annual Report of the Railroad Retirement Board for the Fiscal Year ended June 30, 1944*. Washington: U. S. Govt. Print. Off., 1945. 106 pp.

U. S. SOCIAL SECURITY BOARD. *Some Basic Readings in Social Security; Supplement to Publication No. 28, Revised January 1945*. Washington: U. S. Govt. Print. Off., 1945. 58 pp. (Publication 28, revised January 1945.) 15 cents.

An annotated supplement to the 1942 edition of the bibliography.

WARBURTON, CLARK. "Normal Production, Income, and Employment 1945 to 1965." *Southern Economic Journal*, Chapel Hill, N. C., Vol. 11, Jan. 1945, pp. 219-245. \$1.

WOOTTON, BARBARA. "Am I My Brother's Keeper?" *Agenda*, London, Vol. 3, May 1944, pp. 114-126. 6s.

The "tangle of regulations about kinship," particularly the definition of "dependency," existing under British income-tax, social security, and other laws.

WOYTINSKY, WLADIMIR S. *The Economic Setting for Planning Social Work Programs in 1945-46*. N. Y.: National Social Work Council, 1944. 13 pp. 10 cents.

The factors affecting the labor force in the 2 years after V-E day. Concludes that unemployment "will probably remain, at the end of this phase of reconversion, at a very low level."

Old-Age and Survivors Insurance

ALTMAYER, ARTHUR J. "Social Security for Farmers." *Land Policy Review*, Washington, Vol. 8, Spring 1945, pp. 3-8. 10 cents.

Explains the benefits which farmers would derive from coverage and how the problems their inclusion would raise might be solved.

NATIONAL HEALTH AND WELFARE RETIREMENT ASSOCIATION, INC. *Constitution and By-Laws*. N. Y.: The Association, 1945. 45 pp.

Employment Security

CALIFORNIA. STATE INTERDEPARTMENTAL COMMITTEE ON POSTWAR RESEARCH. *Estimates of Wartime and Postwar Employment in California*. Sacramento, 1944. 89 pp. Processed. Includes data on wartime changes in employment.

DONAGHY, THOMAS J. "Pennsylvania's Merit Rating Experience in 1944." *The Controller*, N. Y., Vol. 13, Feb. 1945, pp. 71-72 ff. 50 cents.

FARMER, CHARLES. "The Task of the United States Employment Service in the Post-War Adjustment Period." *Personnel Administration*, Washington, Vol. 7, Jan. 1945, pp. 1-5. 40 cents.

FREDERICKSON, R. E. "Merit Rating: The Other Side." *The Controller*, N. Y., Vol. 13, Feb. 1945, pp. 73-76 f. 50 cents.

Argues against experience rating.

HANSEN, ALVIN H. "Beveridge on Full Employment." *New Republic*, N. Y., Vol. 112, Feb. 19, 1945, pp. 250-254. 15 cents.

INTERNATIONAL ASSOCIATION OF PUBLIC EMPLOYMENT SERVICES. *Proceedings of the Thirty-Second Annual Convention . . . June 6, 7, 8, and 9, 1944*. Washington (?), 1944. 83 pp.

Among the addresses were: Unemployment Insurance, Element of Social Security in Canada During War and Peace Time, by L. J. Trotter; The Vitality of a Public Employment Service, by Lawrence A. Apple; The Future of the Employment Service, by Claude Williams; The International Labor Conference Program for Employment, by William H. Stead; Our Manpower Responsibility, by Paul V. McNutt.

PENNSYLVANIA. DEPARTMENT OF LABOR AND INDUSTRY. BUREAU OF EMPLOYMENT AND UNEMPLOYMENT COMPENSATION. *Adequacy of Benefit Payments in Pennsylvania During the 1942-1943 Benefit Year*. Harrisburg (?), 1944. 25 pp. Processed. (Statistical Information Bulletin No. 45.)

Statistical analysis of and data on the amount and duration of benefit payments.

REUBENS, BEATRICE G. "Unemployment in War-Time Britain." *Quarterly Journal of Economics*, Cambridge, Mass., Vol. 59, Feb. 1945, pp. 206-236. \$1.25.

Composition, amount, and duration of unemployment, with implications for the post-war period.

THOMAS, ELBERT D., and TAFT, ROBERT A. *Should Government Guarantee Sixty Millions Jobs?* N. Y.: American Economic Foundation, 1945. 13 pp. (Wake Up America! Broadcast No. 253.) 10 cents.

Radio debate on the possibility of guaranteeing full employment.

Public Welfare and Relief

AMERICAN PUBLIC WELFARE ASSOCIATION. *Public Welfare Survey of the*

Province of Manitoba. Chicago: The Association, 1944. 43 pp.

Recommends reorganization of public welfare administration and services of the Province, with supporting background data.

CLAGUE, EWAN. "Financing Postwar Welfare." *Survey Midmonthly*, N. Y., Vol. 81, Feb. 1945, pp. 46-47. 30 cents.

Foresees "a great expansion of social security, public welfare, and public health expenditures in the decade after the war," which it should be possible to finance through taxation.

HETTIG, T. DAVID. "The Role of Public Assistance in a Comprehensive Social Insurance Program." *Utah Public Welfare Review*, Salt Lake City, Vol. 2, Nov. 1944, pp. 8-12.

MISSOURI ASSOCIATION FOR SOCIAL WELFARE. *Building a Better State Through Legislation*. Jefferson City: The Association, 1945. 29 pp. Processed.

A series of articles discussing various aspects of the State's welfare program and pointing out needed changes.

POTTER, ELLEN C.; DOWDELL, MARC; HOWELL, LAURA; and LOCKWOOD, MARION. "State Faces New Problems in Increased Demands of Chronic Care." *Hospitals*, Chicago, Vol. 19, Mar. 1945, pp. 46-48. 30 cents.

The increased demands for care for the chronically ill among the aged. Suggests that "perhaps the time has come when Federal participation in old age assistance grants, with especial reference to health and sickness needs, should be adjusted upward to equalize the financial strain on the poorer States and ultimately to encourage the establishment of public and private facilities so desperately needed."

ROWE, FRANCIS H. "Child Endowment in Australia." *Bulletin* (Child Welfare League of America), N. Y., Vol. 24, Feb. 1945, pp. 1-3. 10 cents.

The Director-General of Social Services describes the establishment and administration of family allowances.

SMITH, ELIZABETH M. "Integration in Rhode Island." *Survey Midmonthly*, N. Y., Vol. 81, Feb. 1945, pp. 44-46. 30 cents.

How administration of public assistance has been unified.

"Social Security for Welfare Workers—A Symposium." *Better Times* (Welfare Council of New York City), N. Y., Vol. 26, Feb. 23, 1945, pp. 3 f. 10 cents.

Leaders of welfare agencies in New York City comment on the Social Se-

curity Board's proposals for extending coverage to employees of non-profit institutions.

WAGNER, MARGARET W. "Nursing Homes Call for Rigid Supervision." *Hospitals*, Chicago, Vol. 19, Mar. 1945, pp. 52-56. 30 cents.

Since "recipients of old age assistance make up a high percentage of the inmates of nursing homes," standards are lowered "in areas where the maximum of \$40 a month is all that can be secured to provide nursing home care."

Health and Medical Care

"The Atlanta Conference." *Journal of the American Medical Association*, Chicago, Vol. 127, Mar. 10, 1945, pp. 601-602. 25 cents.

Senator Pepper, speaking before a regional meeting of the AMA Council on Medical Service and Public Relations, offers his ideas on the objectives of a national health program, which should include a national system of hospitals, more nearly adequate dental care, and a system of voluntary health insurance.

CANADIAN MEDICAL PROCUREMENT AND ASSIGNMENT BOARD. *Report of the National Health Survey*. Ottawa: Edmond Cloutier, 1945. 336 pp. \$1.50.

A detailed study "presenting the findings, observations and recommendations of the responsible survey group" in each of the following fields: civilian medical manpower, medical schools, public health, hospital personnel and facilities, industrial medicine, war medical services, nurses, and dental services.

CHAMBER OF COMMERCE OF THE UNITED STATES OF AMERICA. *Health Insurance in America. Second National Conference on Social Security, Sponsored by Chamber of Commerce of the United States, January 1945*. Washington: The Chamber, 1945. 72 pp. 60 cents.

"Compensation for Sickness in Rhode Island." *Monthly Labor Review*, Washington, Vol. 60, Feb. 1945, pp. 225-242. 30 cents. Prepared in the Editorial and Research Division of the Bureau of Labor Statistics by Helen I. Cowan.

Data on the operations of the Cash Sickness Compensation Act.

DAHL, DOROTHY. *Sickness Benefits and Group Purchase of Medical Care for Industrial Employees; A Selected, Annotated Bibliography*. Princeton, N. J.: Industrial Relations Section, Department of Economics and Social Institutions, Princeton University, 1944. 28 pp. 30 cents.

- JOHNSON, VICTOR; PETERS, JOHN; and WIRTH, LOUIS. *Should We Adopt Government Health Insurance?* Chicago: The University of Chicago Round Table, 1944. 29 pp. (Chicago. University Round Table. Transcript No. 354.) 10 cents.
- MOTT, F. D., and ROEMER, M. I. "A Federal Program of Public Health and Medical Services for Migratory Farm Workers." *Public Health Reports*, Washington, Vol. 60, Mar. 2, 1945, pp. 229-249. 10 cents.
- Describes the farm labor health program of the War Food Administration, which combines public health with therapeutic medical and related services to the migrant farm workers and their families.
- MOTT, F. D. "Rural Health Parity; Federal-State Cooperation." *Land Policy Review*, Washington, Vol. 8, Spring 1945, pp. 9-14. 10 cents.
- Outlines the objectives of a rural health program and urges Federal, State, and local participation.
- MOUNTAIN, JOSEPH W.; PENNELL, ELLIOTT H.; and BROCKETT, GEORGIE S. "Location and Movement of Physicians, 1923 and 1938—Changes in Urban and Rural Totals for Established Physicians." *Public Health Reports*, Washington, Vol. 60, Feb. 16, 1945, pp. 173-185. 10 cents.
- NEVIN, J. J. "Should It Be a Federal or State Health Insurance Program." *TIC*, Albany, N. Y., Feb. 1945, pp. 6-15.
- Presents, in tabular form, the main provisions of State health programs.
- PARRAN, THOMAS. "Dentistry in a National Health Program." *Journal of the American Dental Association*, Chicago, Vol. 32, Mar. 1, 1945, pp. 285-288. 50 cents.
- SPAIN. CAJA NACIONAL DEL SEGURO DE ENFERMEDAD. *Seguros Sociales Obligatorios. Compendium del Seguro de Enfermedad*. Madrid, 1944. (Publicaciones Num. 592. Manuales S. R. C. Num. 3.)
- An outline of the organization of and the provisions for sickness insurance in Spain.
- "U. S. S. R. Public Health Services During the War." *International Labour Review*, Montreal, Vol. 51, Mar. 1945, pp. 383-386. 50 cents.
- Information on the general state of the Nation's health, child welfare services, and rural health services.
- U. S. CONGRESS. SENATE. COMMITTEE ON EDUCATION AND LABOR. SUBCOMMITTEE ON WARTIME HEALTH AND EDUCATION. *Health Needs of Veterans*. Washington: U. S. Govt. Print. Off., 1945. 16 pp. (Subcommittee Report No. 4.)
- Surveys present provisions for medical care for veterans and indicates the limitations of the existing program.
- U. S. PUBLIC HEALTH SERVICE. *Annual Report of the United States Public Health Service for the Fiscal Year 1944*. Washington: U. S. Govt. Print. Off., 1944. 120 pp. 20 cents.
- VIADO, MANUEL DE, and FLORES, A. "Organized Medical Care in Chile." *International Labour Review*, Montreal, Vol. 51, Mar. 1945, pp. 302-309. 50 cents.
- Surveys the historical background and present organization.
- WOODBRING, C. H. "The Nation's Health." *Editorial Research Reports*, Washington, Vol. 1, Mar. 13, 1945, pp. 183-199. \$1.
- Presents a summary over-all picture of health conditions, reviews the wartime advances in medical science, and outlines the proposals contained in the 1944 annual reports of the Social Security Board and the U. S. Public Health Service and the special reports of the Senate Subcommittee on Wartime Health and Education for formulating a national health program.

(Continued from page 34)

sufficient to meet the normal living requirements of the worker and his family, and "sufficiently flexible to be adapted to rising prices, in order that the remunerative capacity of the wage may protect and increase" the worker's purchasing power;

Recognition of the right of workers to organize, of the right of collective bargaining, and of the right to strike;

"Adoption of laws . . . putting into effect standards protecting the worker against the different risks which should be covered in accordance with the principles of welfare, assistance and social security, approved by the International Labor Conferences and by the Inter-American Conference on Social Security," and the support by all the American republics of the Permanent Inter-American Committee on Social Security;

"Provision by the State of welfare and assistance services with respect to preventive and curative medicine, housing of workers, protection of mother and child, and nutrition . . . ;

"Protection of maternity and organization of hospital and maternity services for . . . workers and their families;

"Establishment of an adequate system of compensation and insurance at the expense of the employer for occupational risks, directed, among other considerations, to the rehabilitation of workers in case of partial disability;

"Promotion and broadening of social security to cover sickness, old age, invalidity, death, maternity, and unemployment, in accordance with the social, economic and geographic conditions in each nation and in conformity with universal principles . . ."

The Declaration also recommended

that an Inter-American Charter of Social Guarantees be prepared by the Inter-American Juridical Committee, "collaborating with the International Labor Office and taking into account the agreements and recommendations of the latter and the social legislation of the American countries. The charter shall be submitted for consideration and approval by the Ninth International Conference of American States . . ."

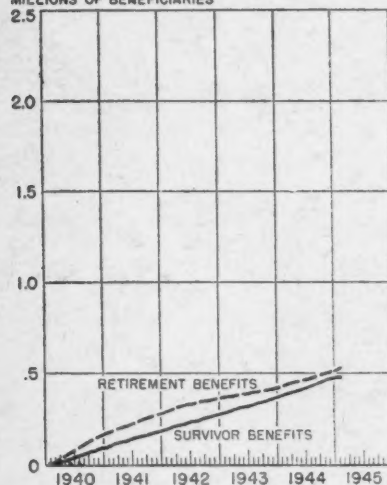
To strengthen and improve the inter-American system, the Conference created a permanent Inter-American Economic and Social Council, the members of which will be designated by their respective Governments. The Council is to serve as the coordinating agency for all official inter-American economic and social activities, report on economic and social subjects, and maintain liaison with international agencies in those fields.



Social Security Operations*

INDIVIDUALS RECEIVING PAYMENTS

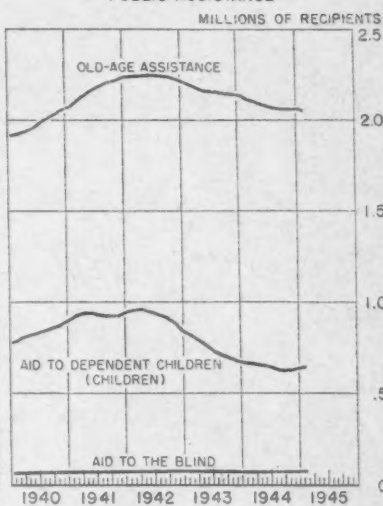
OLD-AGE AND SURVIVORS INSURANCE
MILLIONS OF BENEFICIARIES



UNEMPLOYMENT COMPENSATION

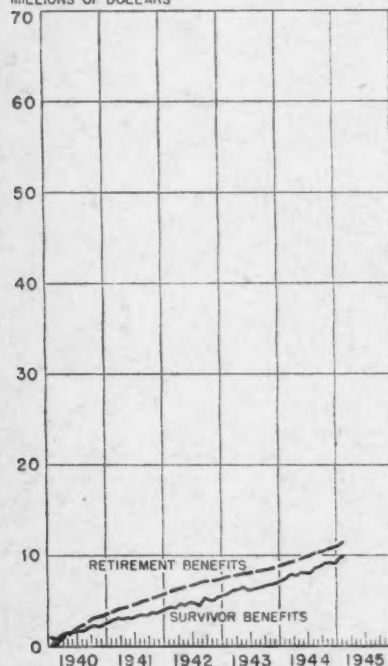


PUBLIC ASSISTANCE



SOCIAL SECURITY PAYMENTS

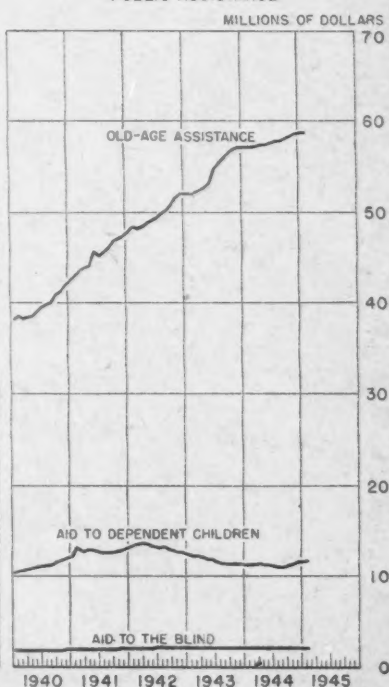
OLD-AGE AND SURVIVORS INSURANCE
MILLIONS OF DOLLARS



UNEMPLOYMENT COMPENSATION



PUBLIC ASSISTANCE



* Old-age and survivors insurance, beneficiaries for whom payments were certified and amounts certified during month; unemployment compensation, weekly average number of beneficiaries for the month and gross benefits paid during the month under all State laws; public assistance, recipients and payments under all State programs.

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